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Confederation of Indian Industry-  
Northern Region

# ECONOMY AND POLICY UPDATE

*Economic & Policy Update is a monthly review, presenting the macro economic developments, industry trends, up-to-date news and an analytical view of policies and notifications, issued by the northern states.*

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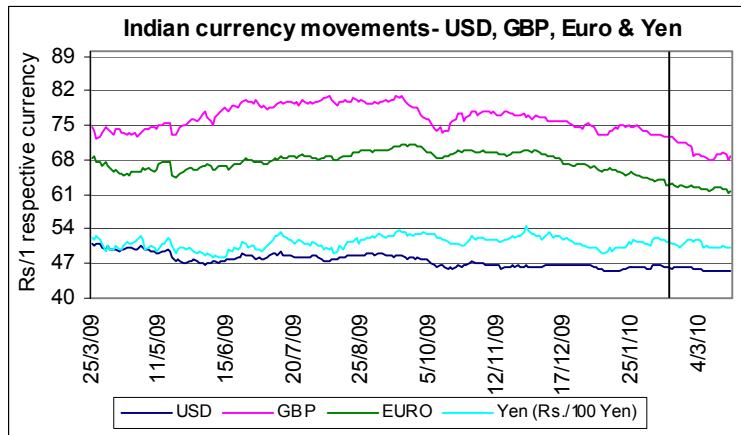
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## SECTION I: MONTHLY UPDATE OF MACRO-ECONOMIC DEVELOPMENTS

(Feb 25 - Mar 24, 2010)

### Indian Rupee strengthens against major currencies

During the period Feb 25, 2010-Mar 23, 2010, the Indian Rupee witnessed a positive trend against most of the major currencies, including the US Dollar. During the first week of period under consideration, Indian Rupee registered the second biggest weekly gain of 2010 against the US Dollar. This was largely due to gains in other regional currencies and dollar selling by offshore players. Strong regional peers boosted the sentiment for rupee. However, from Mar 09,

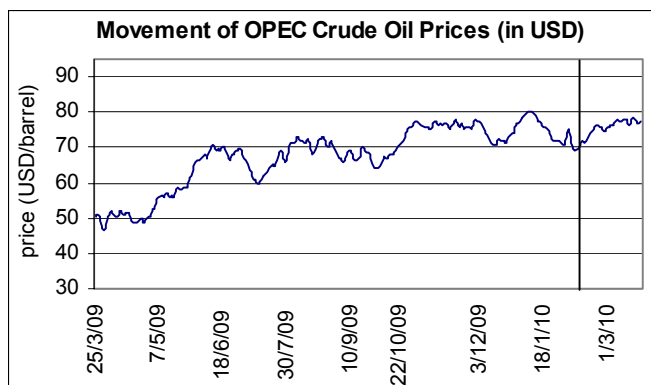


*Source: RBI and Cygnus Research*

2010 onwards, the value of Indian Rupee against the US Dollar started fluctuating moderately. This trend continued till the end of period under consideration i.e. Mar 23, 2010. Overall, the Indian Rupee appreciated during the period on account of gains in local equities which raised hopes of capital inflows. Weaker US capital market also supported the domestic market sentiment. The Indian Rupee appreciated by 1.7% against the US Dollar during the period Feb 25, 2010-Feb 23, 2010. The domestic currency also registered significant appreciation of 3.3%, 2.7% and 1.3% against the British Pound, Japanese Yen and Euro, respectively, during the same period.

### Oil prices register fluctuating trend

The crude oil price of OPEC Reference Basket (ORB) recorded a fluctuating trend during the period Feb 25, 2010-Mar 23, 2010, with small phases of ups and dips. Oil prices oscillated within a range of USD74 and USD79 per barrel during the four weeks. Overall, oil prices registered a significant jump during the period. Market sentiment changed recently amid more positive economic data and rising equities, which provided support for crude prices as well. Following these developments, the

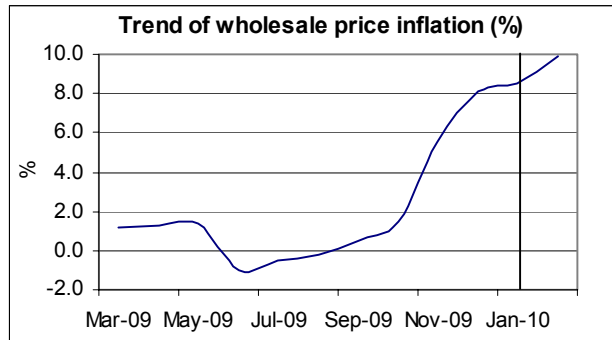


*Source: OPEC and Cygnus Research*

OPEC Reference Basket rose by USD1.63 to reach USD 78.25 per barrel on 17 Mar, 2010, the highest single-day jump in oil prices. Between Feb 25, 2010 and Mar 23, 2010, the crude oil prices increased by 3.9% to reach USD77.54 per barrel on Mar 23, 2010.

### Inflation continues to increase

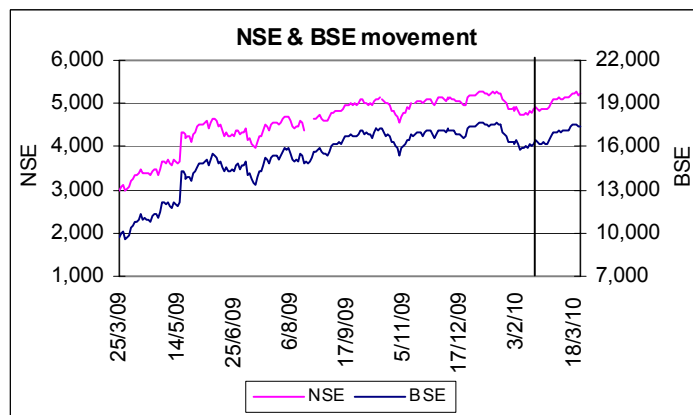
The average wholesale price inflation for the month of February 2010 increased to 9.89% as against 8.56% during the previous month. The rise in WPI inflation rate was primarily driven by fuel prices and the low base effect. The average inflation rate for commodities under the 'primary articles' group stood at 15.54% in February 2010 against 14.52% during the previous month. Within the primary articles group, inflation rate for food articles was recorded highest at 17.79% in February 2010 against 17.43% in January 2010, while inflation rate for non-food articles stood at 13.35% in February 2010 against 10.57% during the previous month. The average inflation rate for the "fuel, power, light & lubricants" group, stood at 10.19% during February 2010 as against 6.90% in the previous month. The inflation rate for manufactured products stood at 7.42% during February 2010 as against 6.55% in the previous month.



Source: MOSPI and Cygnus Research

### Nifty & Sensex record positive trend

The Indian stock market witnessed a more or less positive trend from Feb 25, 2010 to Mar 23, 2010. NSE Nifty and BSE Sensex, on back of the continuing post-budget rally, gained handsomely during the first week of period under consideration. On 02 Mar, 2010 the markets recorded the biggest single-session gain of the period. The domestic market continued the gaining streak on back of strong FII-inflows. The market, which was also backed by good advance tax figures, ignored inflation concerns and kept the momentum high all through the period. While, Nifty increased by 7.5% during Feb 25, 2010-Mar 23, 2010, Sensex propelled by 7.4% during the same period.



Source: NSE, BSE and Cygnus Research

## Leading Indicators

Important Economic Indicators			
GDP Growth (%) at factor cost (2004-05 Prices)	6.7 (Apr-Dec, 2009)		7.1 (Apr-Dec, 2008)
	6.0 (Oct-Dec, 2009)		6.2 (Oct-Dec, 2008)
	% Change		
	January 2010 over January 2009	January 2010 over December 2009	January 2009 over January 2008
<b>IIP Growth*</b>	<b>16.7</b>	<b>-0.5</b>	<b>1.0</b>
Mining	14.6	3.6	0.7
Manufacturing	17.9	-1.0	1.0
Electricity	5.6	2.3	1.8
	February 2010 over February 2009	February 2010 over January 2010	February 2009 over February 2008
<b>Six Core Industries Growth</b>	<b>4.5</b>	<b>-8.4</b>	<b>1.9</b>
Coal	6.8	-3.3	6.0
Electricity Generation	7.3	-6.1	0.6
Crude Petroleum	4.0	-8.8	-6.2
Petroleum Products	0.8	0.8	0.5
Finished Steel	0.9	-13.7	2.4
Cement	5.8	-6.6	8.3
International Trade			
Exports (USD billion)	14.3 (Jan 10) <sup>β</sup> - 11.5% growth over corresponding period of 2008-09		12.9 (Jan 09) <sup>#</sup> - 22.8% decline over same period of 2007-08
Imports (USD billion)	24.7 (Jan 10) <sup>β</sup> - 35.5% growth over corresponding period of 2008-09		18.2 (Jan 09) <sup>#</sup> - 27.2% growth over same period of 2007-08
Credit Indicators			
Prime Lending Rate (%)	11.00-12.00 (Feb 12, 2010)	11.00-12.00 (Jan 15, 2010)	11.50-12.50 (Feb 13, 2009)
Non-Food Credit (Rs. billion)	30,072 (Feb 12, 2010)	29,664 (Jan 15, 2010)	25,997 (Feb 13, 2009)
Advanced/Leading Indicators			
Railway Freight (million tonnes)	72.5 (Feb 10) - 3.6% growth over corresponding period of 2008-09		70.0 (Feb 09) - 0.9% decline over corresponding period of 2007-08
Automobiles Sales (million units)	1.1 (Feb 10) - 35.0% growth over corresponding period of 2008-09		0.8 (Feb 09) - 12.0% growth over corresponding period of 2007-08
Domestic Aircraft Passengers (millions)	3.9 (Feb 10) - 15.8% growth over corresponding period of 2008-09		3.3 (Feb 09) - 8.6% growth over corresponding period of 2007-08
New Telecom Subscription (million connections)	18.7 (Feb 10) - 39.5% growth over corresponding period of 2008-09		13.4 (Feb 09) - 58.1% growth over corresponding period of 2007-08
<i>Source: RBI, MOSPI, PIB, Ministry of Finance and Cygnus Research</i> <i>Note: * Latest available data is up to Jan 2010; <sup>β</sup> Provisional figures ; <sup>#</sup> Revised figures</i>			

## SECTION II: INDUSTRY SALES TREND

### INDUSTRY SALES TREND-REGION WISE

Region	Y-on-Y (%) Q3 FY 10
North	Up 17.1
South	Up 19.5
East	Up 16.7
West	Up 21.0
<i>Source: CMIE –Prowess</i> <i>Note: Industry sales trends are based on reported sales figures of listed companies</i> <i>Industries include Financial Services, Manufacturing, Irrigation, Mining Electricity, Non-Financial Services, Construction and Others</i>	

### SALES TREND OF MAJOR INDUSTRIES IN NORTHERN REGION

Industry	Y-on-Y (%) Q3 FY 10	
	Overall India	Northern Region *
<b>Manufacturing Sector</b>		
Agro and Food Processing Industry	Up 13.7	Up 6.9
Pharmaceuticals	Up 15.1	Up 11.9
Textile	Up 5.7	Up 7.5
Sugar	Up 11.2	Up 14.8
Auto and Auto Components	Up 1.1	Up 10.0
Consumer Durables	Up 2.4	Up 0.4
Metals and Minerals	Up 12.0	Up 9.0
Leather and Leather Products	Up 14.3	Up 13.8
<b>Services Sector</b>		
IT & ITES	Up 23.5	Up 5.8
Hotel & Tourism	Down 3.7	Up 2.2
<i>Source: CMIE –Prowess</i> <i>Note: Industry sales trends are based on reported sales figures of listed companies</i> <i>Note: Northern region consists of Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu &amp; Kashmir, Punjab, Rajasthan, Uttar Pradesh and Uttarakhand</i> <i>NA- Not Available</i>		

## SECTION III: INVESTMENT SCENARIO

### Foreign Direct Investments

FDI equity inflows in USD Million into Northern States					
Region	Dec, 2009	Nov, 2009	Dec, 2008	% growth of Dec, 2009 over Nov, 2009	% growth of Dec, 2009 over Dec, 2008
Delhi, parts of UP & Haryana	338	505	0	-33.1	NA
Chandigarh, Punjab, HP, Haryana	13	26	255	-50.0	-94.9
Rajasthan	3	0	41	NA	-92.7
UP & Uttarakhand	1	0	0	NA	NA

*Source: DIPP and Cygnus Research*  
*Note: NA- Not Applicable; Regions are as per RBI classification*

### Domestic Investments - Industrial Entrepreneur Memorandum (IEM)

State-wise IEMs proposed in January 2010						
State	No of IEMs			Investment in Rs Million		
	Jan, 2010	Jan, 2009	% change	Jan, 2010	Jan, 2009	% change
Chandigarh	0	0	NA	0	0	NA
Delhi	2	1	100.0	100	0	NA
Haryana	7	7	0.0	1410	1070	31.8
Himachal Pradesh	4	3	33.3	470	4640	-89.9
J&K	1	1	0.0	160	150	6.7
Punjab	9	1	800.0	7980	0	NA
Rajasthan	12	6	100.0	53070	780	6703.8
Uttar Pradesh	13	16	-18.8	4130	12470	-66.9
Uttarakhand	31	9	244.4	11700	21530	-45.7

*Source: DIPP and Cygnus Research*  
*Note: NA- Not Applicable; Regions are as per RBI classification*

State-wise IEMs implemented in January 2010						
State	No of IEMs			Investment in Rs Million		
	Jan, 2010	Jan, 2009	% change	Jan, 2010	Jan, 2009	% change
Chandigarh	0	0	NA	0	0	NA
Delhi	0	0	NA	0	0	NA
Haryana	0	0	NA	0	0	NA
Himachal Pradesh	0	2	-100.0	0	520	-100.0
J&K	0	1	-100.0	0	0	NA
Punjab	0	1	-100.0	0	110	-100.0
Rajasthan	7	0	NA	130	0	NA
Uttar Pradesh	1	0	NA	0	0	NA
Uttarakhand	5	10	-50.0	420	220	90.9

*Source: DIPP and Cygnus Research*  
*Note: NA- Not Applicable; Regions are as per RBI classification*

## SECTION IV- IN FOCUS

### Climate Change and its Impact on Industries in North India

#### Introduction

Climate change has become one of the most significant global environmental challenges. Issues such as gradual shifts in temperature, rising sea levels, accelerated erosion of coastal zones, increased intensity of natural disasters, extinction of species, spread of vector-borne diseases, floods and droughts have forced themselves to the top of government agendas to initiate regulatory changes and introduce suitable policies to protect mother earth. Climatic change may have implications on food production, water supply, health and the overall economy of a country. For the Indian economy that largely depends on natural resources, climate change could represent an additional stress on agriculture, forestry, the coastline, water resources and human health. India is a relatively low-carbon economy, with power and a few manufacturing sectors being the only major contributors to climate change. However, with the primary energy demand expected to more than double by 2030, India would become a major greenhouse gas emitter (provided largely dependant on fossil fuel for power generation) and one of the most vulnerable countries to climate change.

Since industry contributes to India's economic growth story in two ways: overcoming today's slow down, and sustaining the growth, therefore, industry needs to play a significant role in dealing with the global threat of climate change. The industry's role in shaping an energy-efficient, climate-friendly, economic growth path has attracted investors over a period of time investing in various technologies/processes.

#### Impact of climate change in North India

Climate change has affected nearly every part of India, irrespective of the role it has played in polluting the environment by and large. Lying in the lap of the great Himalayas, the North Indian region is one such place that is already feeling the impact. The hilly region of Kashmir seated deep in the Himalayas was till recently waiting for its share of the season's snowfall. Just two decades ago, the Kashmir Valley would get heavy snowfall in early winter, which would freeze and cover the landscape until spring. Nowadays snowfall is not only thin, but often late, which means it may not last long. The average temperature in the region has increased by more than a degree in the last 100 years, hastening the melting of Himalayan ice.

Since the past few decades, temperatures in North India have been increasing year after year. This increase has resulted in reduced snowfall and increased melting of glaciers. In part, this is due to the burning of fossil fuels and the inefficient use of biomass, which darkens the glaciers and makes them soak up more sunlight. The biggest threat climate change poses to Kashmir and nearby regions is the melting of the glaciers, lying high up in the Himalayas. It is estimated that the Himalayan Glaciers are shrinking at a rate of 1-15 meters per year. This is going to have serious consequences on all sectors that depend on water - agriculture, horticulture, even hydropower. In some cases the impact has already begun such as farmers switching from agriculture to horticulture.

In the last two decades the maximum and minimum temperature over North India has been rising sharply. In recent years, the groundwater level in northern India states, especially agriculture and industry intensive states like Delhi, Haryana, Punjab and Rajasthan has been dropping by more than one meter every three years. Also, the change in sowing season due to temperature variations is impacting the wheat yield in Haryana and Punjab. Large areas in Rajasthan and comparatively small areas in Uttar Pradesh are frequented by drought. Meanwhile, demand for water in these regions is projected to increase rapidly in the coming years. On the other hand, most of the river basins in northern parts of the country are flood-prone, affecting several people each year. Such vulnerable regions may be particularly impacted severely by climate change.

### **Measures to control 'Climate Change' - Central Government Initiative**

India has in place a detailed policy, regulatory, and legislative structure that relates strongly to GHG mitigation. The Indian government has undertaken significant steps to try and mitigate climate change related problems by outlining new regulations and developing 'green' business codes. Renewable energy and energy efficient incentives are being actively promoted. Adaptation strategies, which aim to make agriculture more resilient to the impact of climate change, have also been proposed. The present policy instruments of Government of India to various low carbon technologies and strategies constitute one of the strongest responses to global climate change by any developing country. Policy framework to combat climate change includes:

- Introduction of several fiscal and financial incentives to renewable energy projects such as accelerated depreciation, renewable portfolio standards, tax incentives, soft capital and R,D&D (Research, Development, Demonstration, and Deployment) grants.
- Under the Energy Conservation Act (2001), 9 energy intensive industrial sectors, i.e. thermal power stations, fertilizer, cement, iron and steel, chlor-alkali, aluminum, railways, textile and pulp and paper, are required to employ a certified energy manager, conduct energy audits periodically, and adhere to specific energy-consumption norms that may be prescribed.
- The Integrated Energy Policy adopted in 2006, focused on promotion of energy efficiency in all sectors, emphasis on mass transport, emphasis on renewables including biofuels plantations, accelerated development of nuclear and hydropower for clean energy and focused R&D on several clean energy related technologies.
- Incentives to energy efficiency projects and the upcoming energy efficiency trading scheme termed as 'Perform, Achieve and Trade (PAT)'.
- Support instruments to promote solar energy projects to achieve a target of 20,000 MW by 2022 under National Solar Mission.
- Ministry of New and Renewable Energy (MNRE) announced Generation Based Incentives or GBI (the equivalent of feed-in-tariffs) for Grid Interactive solar PV Generation Projects in January 2008.
- On December 17, 2009, the Ministry of New and Renewable Energy (MNRE) announced an incentive of Rs0.50 per unit of wind power fed by independent power producers into the grid. The generation-based incentive (GBI) is aimed at attracting investment in the wind energy sector and increasing the quantum of grid-interactive renewable power.
- The other incentives extended by the Government of India to promote the generation of Wind Power mainly include financial assistance for wind power generation demonstration projects for land based and hybrid projects where wind power and any other conventional and non conventional sources are combined to generate wind power.
- Accelerated programme for restoration and regeneration of forest cover with enhanced funding support to forestry.

### **State-level initiatives (Northern Region)**

There has been a significant rise in awareness among Indian state governments in general on the ill effects of climate change, global warming and deforestation. Accordingly, almost all state governments have initiated some measures towards reducing the ill effects of climate change and for the promotion of renewable energy and afforestation. Initiatives taken by some of the Northern states are discussed below.

#### ***Delhi***

- The National Capital Territory of Delhi recently became the first Indian state to launch action plan on climate change. Delhi government announced an action plan comprising 65 specific actions to address climate change as part of the state's development policy framework by 2012.
- Delhi has initiated measures to stop the pollution of River Yamuna by desilting and also plans to constitute the 'State River Conservation Authority' to make River Ganga and its tributaries pollution free.

### ***Haryana***

- The Haryana state government is promoting plantation of forests on community land and agro forests on farm land and developing areas of afforestation on community and farm land. 'Clonal Agro Forestry' has been introduced to benefit small and marginal farmers while augmenting the supply of raw material in wood based industries in the state.
- The Haryana government, with an intention to attract private investments, has notified a policy on Generation of Electricity through renewable Energy sources. It aims to add 500 MW renewable energy based power generation by the year 2012.
- The Haryana government has selected 22 villages of Kurukshetra district for the installation of solar street lighting system.
- Haryana government has requested the Ministry of New and Renewable Energy (MNRE) to revive and increase the central subsidy on solar pumps from the current Rs.50,000 to at least Rs.200,000.

### ***Himachal Pradesh***

- Himachal Pradesh intends to become the first carbon neutral state in the country with active participation of the common public for which the 'Community led Environment Assessment, Awareness, Advocacy and Action Programme for Environment Protection and Carbon Neutrality' is being initiated in the state.
- At present, 21 Catchment Area Treatment (CAT) plans are being implemented in Himachal Pradesh by the Forest Department and for comprehensive plantation and soil conservation activities a total budget allocation of more than Rs.2 billion has been made for the 2010-11.
- The Himachal Pradesh Forest Department plans to invite partner NGOs and other non-profit organisations to take up social forestry activities in more than 6,000 sq. km. of forest land, which does not have adequate forest cover.
- HP Government is taking all necessary steps to harness solar energy with the assistance of Central Government. Towards this end, they have decided to develop Shimla and Hamirpur as 'Solar Cities'. The Government propose to install solar energy harnessing equipments on important heritage buildings in the State.
- Himachal Government has distributed 4 free CFLs to each domestic consumer under "Atal Biji Bachat" Yojana. This has resulted in estimated savings of 270 million units power worth over Rs.1 billion per annum.
- Himachal Pradesh has also set up a voluntary 'green tax', an initiative to make the people contribute money that will be exclusively used for environment protection measures. A complete ban on the production, storage, use, sale and distribution of all types of polythene bags made of non-biodegradable materials was imposed in the state in October last year.

### ***Punjab***

- In Punjab's budget for 2009-10, Rs.550 million has been allocated for forestry and the Japan Bank for International Co-operation (JBIC) assisted afforestation project costing Rs.2.6 billion will be completed in the current year.
- Measures taken by state government to facilitate environmental clearances include reclassification of industries by creating orange category in addition to red and green categories. The classification of industries will be based on nature/level of pollution irrespective of investment.
- The UNFCCC has launched a programme of carbon credits and some individual units in the state are working in this area. To fully exploit the economic and natural benefit of this programme state shall set up a Carbon Credit Cell in the PSIDC. The cell would guide the local entrepreneurs to adopt the relevant technology to earn carbon credits.
- To encourage the entrepreneurs, the government plans to exempt VAT on technologies and equipments enabling reduction in carbon emission.

### ***Rajasthan***

- The government of Rajasthan, in its budget for 2009-10, announced a new forest policy, water policy and mineral policy.
- The Rajasthan government signed a Memorandum of Understanding (MoU) with Bill Clinton foundation for generation of solar energy in the state. As per the terms of agreement, Bill Clinton foundation would provide technical knowhow for developing solar parks with capacities ranging from 3,000 MW to 5,000 MW at different places in the state.

### **Low carbon practises adapted by companies – North India**

Climate change is too big a challenge for governments alone to handle. Like other global economies, India's path to future growth and prosperity and a low-carbon economy requires the active involvement of business and financial institutions. It is only by harnessing private sector capital and unleashing the power of the markets to boost investment in 'green' technology and pollution-reducing projects that the challenges of climate change can be met. The direct CO<sub>2</sub> emissions from industrial sources accounted for more than 31% of the total CO<sub>2</sub> emissions from the country.

Demand sectors, particularly industrial and transport sectors, offer sizable potential for carbon mitigation in the short term. The medium and long-term strategy includes improvements in electric supply, harnessing renewable and nuclear resources for power generation, adoption of clean technology and stringent emission norms for automobiles for almost all the cities. The structural shift of the economy towards services and the increasing importance of exports in aggregate demand have favourable implications from the perspective of controlling GHG emissions and industry's search for clean technology ensuring clean environment and participating in all-out efforts for environment protection.

Many companies in North Indian states are adopting technologies, practices and approaches that will help the country leapfrog to a low-carbon-economy. A number of companies have taken carbon mitigation actions to reduce their cost and gain reputation and a competitive edge. Global participation through trade, outsourcing, technology transfer and acquisition indicates that these companies are acquiring the best climate friendly technologies and adopting processes and practices that would bring down the dependence on fossil fuels.

These companies have achieved remarkable progress in optimal resource utilisation, power efficiency, renewable energy and green buildings. The estimated energy saving potential for a large number of plants is of the order of 5% to 15%. Average energy intensity in certain sectors such as cement and iron & steel has been declining consistently. ITC Ltd. has become world's first company to be carbon positive, water positive and zero solid waste discharge entity. Hero Honda (an automobile company) has launched a special initiative to reduce the eco foot-prints of its entire value chain.

### **Conclusion**

India and other developing countries will face the challenge of promoting mitigation and adaptation strategies, bearing the cost of such an effort, and its implications for economic development. Global research and development in low-carbon technologies should be initiated in collaborative mode involving public and private sector both from developed and developing countries. The North Indian region is going to be a high-growth, low per-capita-emitting part of country. The proposed central and state legislations could have a major impact in terms of emission cuts in the region. Technology also a significant aspect that will enable North Indian states to achieve overall development without putting additional pressure on natural resources. To promote technology upgradation in the SME (small and medium enterprise) sector, it would be essential to evolve sector—specific integrated programmes for technology development. In wake of fast catching up environmental crisis, both governments and industries in North Indian state looks determined in shifting towards environment friendly practises for economic growth.

## SECTION V: POLICY, INVESTMENT AND NOTIFICATION TRACKER

### CHANDIGARH

#### POLICY TRACKER

##### **Chandigarh clears excise policy (Source: Financial Express, Date: 26/03/2010)**

The Chandigarh administration has finalised the 2010-11 Excise Policy. The administration has kept the maximum permissible number of liquor vends at the level similar to last year. The maximum permissible number of retail sale country liquor (L-14A) and foreign liquor (L-2) licences has also been kept unchanged at 65 and 152, respectively. The excise duty and additional licence fee has been enhanced on IMFL/IFL by 33% from Rs.15 per PL to Rs.20 per PL, on beer having alcoholic contents upto 5.25% v/v by 100% from Rs.3 per bottle to Rs.6 per bottle of 650 ml, on beer having alcoholic contents exceeding 5.25% v/v by 67% from Rs.6 per bottle to Rs.10 per bottle of 650ml, on Wine, Champagne, Cider, RTD & Liquor by 150% from Rs.4 per BL to Rs.10 per BL, on country liquor by 20% from Rs.5 per PL to Rs.6 per PL and an additional licence fee of Rs.2 per PL will be charged on additional quota.

##### **News**

##### **Chandigarh to formulate integrated development plan (Source: Business Standard, Date: 04/03/2010)**

The Centre announced plans to appoint a committee for integrated development of Chandigarh. A minister from the Centre is expected to be a part of this committee. Experts from fields like education, architecture, government officials and artistes would also be incorporated to make a futuristic plan for the holistic development of Chandigarh and its periphery. The government also plans arrange financial and technical support for the small and medium size units in the union territory to help them innovate and improve upon technologies. This would help them engage more people and manufacture competitive products.

##### **Industrialists await notification on conversion of plots (Source: Business Standard, Date: 05/03/2010)**

Chandigarh industrialists are awaiting the notification permitting conversion of industrial plots from leasehold to freehold. A four-member committee constituted to look into the demand to allow conversion has submitted its report, recommending the demand. Once the notification permitting freehold of industrial plots is out, the administration stood to gain from the fees charged on conversion rates that could further be utilised to upgrade the infrastructure in the industrial area. The committee in its recommendation has suggested the conversion fee at Rs.10 per cent of the collector rate, which is Rs.30,000 as on date. While the conversion rate for original allottees of plots has been fixed at Rs.1,800 per sq yard, the conversion fee for General Power of Attorney (GPA) holders would be Rs.3,900 per sq yard. The move is likely to benefit over 1,500 industrialists in the region.

##### **CHB mulling price revision (Source: Tribune News Service, Date: 04/03/2010)**

The Chandigarh Housing Board (CHB) is mulling an upward revision of prices of dwelling units offered under the special housing scheme for UT employees in Sectors 52 and 56. While the revision is not yet official, the board is in the process of working out the rough cost estimates for the dwelling units which would be added to development charges for calculating the exact cost of the flats.

**Sites in Industrial Area resumed (Source: Tribune News Service, Date: 04/03/2010)**

The estate office has cracked its whip on industrialists misusing their premises in the Industrial Area with the resumption of nearly 60 sites. These sites are in Phases I and II. The estate office over the past year has served nearly 450 notices to those who were misusing industrial plots without getting the land use converted under the UT administration's conversion policy. All defaulters are liable to pay a fine at the rate of Rs.500 per sq ft.

**Small industrialists seek parity for conversion (Source: Tribune News Service, Date: 03/03/2010)**

Ahead of the UT administration's new industrial policy, industrial plot holders having less than two kanal in area have put forth their demand to bring them on parity with others for conversion. The UT administration ended its conversion policy, which allowed plot holders to convert land use of their industrial plots into commercial activity and services. Till last year, the administration had allowed it to those with industrial plots of over two kanal under the conversion policy. There were about 1,000 plots at Phases I and II of the Industrial Area. The industrialists claimed that those with an area of two kanal and-a-half were allowed commercial activities while they were not. In 2008, the Chandigarh administration had amended the conversion policy for industrial plots in the Industrial Area. It was stated that two or more adjoining plots allotted under the less-than-two-kanal category were to be considered for conversion if the area was two kanal or more after amalgamation.

**Number of foreign tourists in Chandigarh goes up (Source: Economic Times, Date: 01/03/2010)**

The number of tourists visiting Chandigarh has increased by 18% in the past year. The number of foreign tourists visiting the union territory surged to 37,967 in 2009 compared to 32,074 in 2008. The tourism department plans to surpass the 2009 figure this year. So far in January, 75,435 domestic and 3,516 foreign tourists have already visited Chandigarh. A majority of foreign tourists come from Britain, the US and Canada.

## CHANDIGARH

### INVESTMENT TRACKER

**Surya Pharma to set up new unit (Source: Business Standard, Date: 26/03/2010)**

The Chandigarh-based Surya Pharmaceutical Ltd. announced plans to set up a new manufacturing unit near Chandigarh with an investment of Rs.5-6 billion. The proposed unit will manufacture cardio-vascular products, CNS products, hormonal products and steroids. Funding would be through internal accruals, right issue, American Depository Receipt (ADR) or Global Depository Receipt (GDR).

#### News

**Center offers Rs.50m for tourism project in Chandigarh (Source: Tribune News Service, Date: 10/03/2010)**

The Union Ministry of Tourism okayed an amount of Rs.50 million for the development of the Valley of Springs next to the Sector 42 lake. The development of the Valley of Springs comes close on the heels of the sanctioning of other ambitious projects by the Chandigarh Administration, including the Valley of Animals and the Garden of Confers, to spice up the tourism potential in the Phase II (Sectors 30-47) and the Phase III (Sector 48).

## DELHI

### POLICY TRACKER

#### **Govt panel to fix circle rates hike (Source: Times of India, Date: 04/03/2010)**

The Delhi government is looking at a proposal to increase circle rates, which will affect property rates in the Capital. Circle rates are the minimum per sqm rates applicable in case of property deals in various areas of the city. No property is registered if the price is below what is applicable as per these rates. As per the present rates, the city is divided into eight categories where the rates range from Rs. 6,900 per sqm to Rs. 43,000 per sqm. A committee will soon be formed to decide the extent of the hike in circle rates.

#### **Delhi to amend Indian Stamp Act (Source: The Hindu, Date: 20/03/2010)**

Finance Minister Mr. A. K. Walia introduced the Indian Stamp (Delhi Amendment) Bill, 2010, in the Delhi Assembly. The Bill proposes to reduce the stamp duty on the instrument of "note of memorandum sent by a broker or agent to his principal intimating the purchase or sale on account of such principal" described in Article 43. It also seeks to enlarge the scope of application of the Indian Stamp Act, 1899, as applicable to Delhi to enable it to cover new kinds of transactions of derivatives and non-derivatives under the Indian Stamp Act.

#### **Delhi hikes minimum wages by 33% (Source: Tribune News Service, Date: 08/03/2010)**

The Delhi Cabinet hiked the minimum wages and also decided to establish legal service authorities in each of its nine districts. The Cabinet's decision for the hike in minimum wages by 33% was scheduled to be effective from February 1, 2010. With this hike, the minimum wages in Delhi continues to be the highest in the country. The wages of unskilled labour per day have been increased from Rs. 163 to Rs. 203. In case of semi-skilled labour, the minimum wages per day will be Rs. 225 and of skilled labour Rs. 248 per day.

### News

#### **MCD plans to increase revenue from property tax (Source: The Hindu, Date: 24/03/2010)**

The Municipal Corporation of Delhi (MCD) plans to increase its property tax collections with a slew of new measures. These include a survey of farmhouses and industrial areas, targeting unauthorised colonies, unauthorised regularised colonies and village properties being put to commercial use and roping in its Domestic Breeding Checkers (DBC) staff to conduct a door-to-door survey for reining in potential tax payers and detecting defaulters.

#### **Companies get MCD notice to remove illegal ads (Source: Tribune News Service, Date: 14/03/2010)**

The Municipal Corporation of Delhi (MCD) issued a notice to more than nine companies to remove unauthorised display of their products by way of uni-poles, wall wraps and rooftop hoardings. The new advertisement policy framed in 2008 states that any hoarding or advertisement has to be registered first. The Delhi Prevention of Defacement of Property Act 2007 had come into force on March 1, 2009.

#### **Delhi's per capita income up (Source: Tribune News Service, Date: 09/03/2010)**

The per capita income in the national Capital has gone up for the year 2008-09 by Rs. 8,452 compared to the previous year when it was Rs.78,690 at current prices. As a result, the purchasing capacity and consumption pattern of people have changed drastically. Delhi had witnessed a sharp increase in registered motor vehicles. The figure was 5,627,384 in 2007-2008 which went up to 6,011,731 in 2008-09. Per capita consumption of water increased from 48 gallons in 2007-08 to 50 in 2008-09.

**Sealing drive to start (Source: Times of India, Date: 03/03/2010)**

The Municipal Corporation of Delhi (MCD) announced plans to start a sealing drive against those properties whose owners have not paid conversion charges. In response to this announcement, traders have turned up in large numbers to pay their outstanding dues. The drive is likely to start shortly in areas like South Zone, Shahdara (North) Zone and Rohini Zone. Traders who have their business establishments on 2,853 roads are supposed to pay the MCD conversion charges, parking charges and registration fees as per Master Plan-2021.

**Delhi HC asks Delhi to close industries on Delhi-Haryana border (Source: Times of India, Date: 03/03/2010)**

The Delhi High Court directed the city government to close all industries, running illegally in Delhi-Haryana border, to comply with a 2004 Supreme Court order. The court's Division Bench directed the Ministry of Industry, NCT Delhi, and other public authorities, including the Delhi Jal Board and BSES, to convene a meeting for compliance of the apex court order, starting with Nangloi area.

**No power cuts for 2 yrs, Delhi govt assures SC (Source: Economic Times, Date: 04/03/2010)**

In an affidavit before the Supreme Court, the Delhi government declared that the National Capital became power-surplus and has made sufficient arrangements to meet the high power demand for the next two years, including peak summer months.

**CNG prices up by 50 paise to Rs21.70 a kg (Source: Times of Indian, Date: 20/03/2010)**

Indraprasthan Gas Ltd, the sole supplier of compressed natural gas (CNG) for automobiles in Delhi, raised retail price of the fuel gas by 50 paise per kg. The rise in price is to cover increased operational costs due to the Delhi government's upward revision in minimum wages. The clean fuel will cost Rs. 21.70 per kg.

**Integrate all transport in Delhi, NCR (Source: Indian Express, Date: 20/03/2010)**

A ministerial panel setup by the Government of India is considering a Rs.560 billion proposal to modernise the transport system of the National Capital Region (NCR) including Delhi. The panel has proposed to introduce uniform road design and signages, and an integrated fares, operation and information system for all operators. A single planning, co-ordination, management and monitoring entity called the Unified Metropolitan Transport Authority (UMTA) has been envisaged to implement the system.

**Plan to clean up Yamuna stretch for tourists (Source: Times of India, Date: 20/03/2010)**

The Delhi Tourism and Transportation Development Corporation (DTTDC) has proposed to clean up a 1 kilometre stretch of the Yamuna river, starting from the Wazirabad barrage. The proposal was made by DTTDC to help make the yet-to-be-built Signature bridge, which is a major tourist destination. DTTDC plan to place a rubber barrage 1 km downstream of the existing barrage.

## DELHI

### INVESTMENT TRACKER

**DLF launches 3<sup>rd</sup> phase of housing project (Source: Economic Times, Date: 21/03/2010)**

DLF, India's largest realty player, launched the third phase of its housing project, Capital Greens, at Shivaji Marg. The company is offering 150 luxury apartments at a price of Rs. 11,000 per sq ft. DLF's third phase will comprise only 4-BHK apartments, sizes of which will be about 3,000 sq ft.

**MCD prescribes Rs.20bn medicity for North Delhi (Source: Indian Express, Date: 10/03/2010)**

Municipal Corporation of Delhi's (MCD) plans to invest Rs. 20 billion towards upgrading Rajan Babu Tuberculosis (RBTB) Hospital in Kingsway Camp (North Delhi) into a Medicity. Spread across 78 acres, the RBTB Medicity is being planned on a public-private partnership basis.

**Nod to DDA's Vasant Kunj housing project (Source: Indian Express, Date: 19/03/2010)**

The Delhi Development Authority (DDA) has been given environmental permission to go ahead with Rs. 340 million housing project in Vasant Kunj. The project would have its own sewage treatment plant on site, with the housing society not only cleaning up its own sewage but also providing recycled water for nearby parks.

**Govt. puts transport in top gear (Source: Indian Express, Date: 23/03/2010)**

The New Delhi state government proposed to increase funding for public transport in the budget for the financial year 2011. The government slots 38% of Budget funds amounting to Rs. 42.2 billion to rev up city transport. This involves, procuring 1,475 low-floor buses and setting up a Special Purpose Vehicle (SPV) to develop and maintain ISBTs, bus depots and shelters.

#### News

**Railways prunes plan for commercial space in CP (Source: Times of India, Date: 04/03/2010)**

The Railways had to give up commercialisation of over 150,000 sqm of a prime land after being told by DDA that renovation work at the Minto Road Bridge could stall traffic in Connaught Place. Railways are willing to accept some of DDA's proposals to get this project off the shelf. According to the earlier plan, the Railways had earmarked 550,000 sqm areas for commercial utilisation in the non-operational area. However, as per the revised plan, 50% of the area meant for commercial utilization on the Paharganj side will be reduced to get approval from DDA. Thus, under the new plan, only 400,000 sqm will be used for commercial purposes.

**Most hotels agree to scale back rates for Delhi games (Source: Business Standard, Date: 01/03/2010)**

Hotel bookings in Delhi for the Commonwealth Games was to be thrown open for tourists in the first week of March. Bookings are being overseen by the Games Travel Office (GTO), headed by Le Passage to India, a leading tourist agency. The GTO would be listing about 125 hotels across various price categories for tourists. The government has reached an agreement with the hotels that 90% of the rooms available with them will be with the OC for the purpose of the Games. The Games are scheduled from October 3 to 14. Presently, hotel reservation on the commonwealth website is open only for athletes and officials.

## DELHI

### NOTIFICATION TRACKER

#### FINANCE (TAXES & ESTABLISHMENT) DEPARTMENT

No.F. 3(27)/Fin(T&E)/2009-10/Jsfin/195

Date: 17.03.2010

#### NOTIFICATION

In exercise of the powers conferred by section 102 of the Delhi Value Added Tax Act, 2004 (Delhi Act 3 of 2005), the Lt. Governor of the National Capital Territory of Delhi, hereby, makes the following rules to further amend the Delhi Value Added Tax Rules, 2005, namely:-

#### RULES

**1. Short title and commencement** – (1) These rules may be called the Delhi Value Added Tax (Amendment) Rules, 2010.

(2) They shall come into force on the date of notification in Delhi Gazette.

**2. Amendment of Rule 7.** – In the Delhi Value Added Tax Rules, 2005 (hereinafter referred to as “the principle Rules”), in rule 7, in sub-rule (1),-

(i) for clause (b) of the following clause shall be substituted, namely:-

“(b) In the case of goods specified in the third schedule – 40 percent”

(ii) after clause (d), the following clause shall be inserted, namely:-

“(e) declared goods, as defined from time to time in section 14 of the Central Sales Tax Act, 1956 (74 of 1956), - 50%.”

Note: For full text the aforesaid notification may be referred to.

By order and in the name of  
the Lt. Governor of the National  
Capital Territory of Delhi,

Sd/-

**(AJAY KUMAR GARG)**

**JOINT SECRETARY (FINANCE/PLANNING)**

No. F. 6(6)/Fin. (T&E)/2007-08/jsfin/198

Date : 17.03.2010

**NOTIFICATION**

In exercise of the powers conferred by clause (g) of sub section 2 of section 89 of the Chit Funds Act, 1982 (Central Act 40 of 1982), the Lt. Governor of the National Capital Territory of Delhi, in consultation with the Reserve Bank of India, hereby makes the following rules to amend the Delhi Chit Funds Rules, 2007, namely: -

1. (1) These rules may be called the Delhi Chit Funds (Amendment) Rules, 2009.  
(2) They shall come into force on the date of their publication in the Gazette.
2. In rule 28 of the Delhi Chit Funds Rules, 2007, in sub-rule (2), for the word "three months" the words "six months" shall be substituted.

By order and in the name of  
the Lt. Governor of the National  
Capital Territory of Delhi,

Sd/-  
**(AJAY KUMAR GARG)**  
**JOINT SECRETARY (FINANCE/PLANNING)**

**OFFICE COMMISSIONER EXCISE, ENT. & LUXURY TAX**

**No.F. 1(140)/Permit/ Exc./Pt. File/2010/2111-2118**

**Date: 26.03.2010**

**ORDER**

Sub: Regarding affixation of security holograms in the case of IMFL, WINE & BEER.

As per the decision of Government of Delhi, the security holograms are required to be affixed on the bottles of IMFL & WINE as well as carton boxes of Beer on stocks received on or after 05/01/2010. However it has been brought to the notice that there is some old marketable stock lying at various Bonded Warehouses which does not bear holograms.

All the licensees are hereby directed to stop supply of such stock (i.e. stock without holograms) after 27/03/2010 and submit the detail of closing stock of such material in the enclosed proforma positively on 29/03/2010 and collect the equal number of Holograms from this office, which shall be affixed in the presence of Bond Inspectors at the Bonded Warehouse. In case no such stock is available a NIL report must be filed in the Annexure-I.

The supply of such stock shall be started only after a certificate in enclosed Proforma (Annexure-II), duly verified by the Bond Inspector, is submitted to the undersigned.

**This issues with the prior approval of competent authority**

**(Arun Mishra) COLLECTOR (EXCISE) All L-1 Licensees**

## **HARYANA**

### **POLICY TRACKER**

#### **Haryana announces VAT surcharge (Source: Business Standard, 11/03/2010)**

The Haryana Finance Minister presented the budget with a total outlay of Rs.336 billion- Rs.105 billion in plan outlay and Rs.231 billion in non-plan outlay. Keeping infrastructure development as the focus of budgetary allocation, the finance minister allocated Rs.46.4 billion to the power sector, Rs.11.4 billion to the transport sector, Rs.16.2 billion to the irrigation sector, Rs.13.0 billion to the water supply and sanitation and Rs.14.5 billion to urban development. In order to facilitate urban local bodies with better fund mobilisation, the state has imposed a surcharge of 0.25% to 0.7% on different value-added tax slabs.

#### **New excise policy for 2010-11 (Source: Tribune News Service, Date: 12/03/2010)**

The Haryana state government announced a new excise policy for fiscal year 2010-11. The new policy has led to encouraging results in Sonapat district, as around 80% of this year's owners of liquor vends have opted to extend their contract for next year by paying extra amount on their current lease. The owners of the liquor vends were given option to retain their country liquor vend and IMFL vends by paying 10% and 5% increase, respectively, in the current year's auction amount under the new policy.

#### **Policy to regularise industrial units framed (Source: Tribune News Service, Date: 28/03/2010)**

The Haryana state government has formulated a policy on regularising industrial units which have come up within the controlled areas of Haryana over the years. Industrial units in all zones would be regularised, except for those in residential zones. The unauthorised units existing within the controlled areas of the state would be given an opportunity to seek regularisation, for which a procedure has been approved. The owners will be given three months to submit their applications.

#### **Haryana to reduce time limit for providing CLU (Source: Business Standard, Date: 01/03/2010)**

While the Haryana government is seeking suggestions afresh from the entrepreneurs to formulate its new industrial policy, it has already decided to reduce the time limit for providing change of land use (CLU), to set up industrial units, from existing three months to two months to boost the interest of entrepreneurs. According to the principal secretary, industries, Government of Haryana, a plan has been prepared to provide residential accommodation to industrial workers. In case, the applicant did not get the permission for CLU, it would be considered as approved. But if the industrial unit is not connected with a 18 metre wide road, it would not be issued permission for CLU. A self-certification policy will be implemented shortly for endorsement of site plan of the industrial unit.

#### **Battery dealers told to submit half-yearly returns (Source: Tribune News Service, Date: 01/03/2010)**

The Haryana State Pollution Control Board (HSPCB) has asked all manufacturers, importers, assemblers, re-conditioners, bulk consumers, auctioneers and dealers of the batteries to submit half-yearly returns of the sold/used batteries to the board as per the provisions of Section IV of the Batteries (Management and Handling) Rules, 2001. Legal action could be initiated under the provisions of the Environment Protection Act, 1986, against those who did not submit the half-yearly return to the HSPCB within the specified time frame.

#### **Foodgrain stock limit up (Source: Tribune News Service, Date: 11/03/2010)**

The Haryana government has raised the upper limit of the stock of essential commodities, which can

be kept by traders with them. Now, a wholesale trader can keep 2,500 quintals of wheat with him against the earlier limit of 1,000 quintals, while for a retailer this limit has gone up to 1,500 quintals. A dal mill can keep 2,000 quintals of grams and pulses against the earlier limit of 250 quintals. For a wholesale trader, this limit will be 500 quintals while for a retail trader, it will be 50 quintals.

## **News**

### **New educational institutes in Haryana (Source: Business Standard, Date: 28/03/2010)**

Haryana is all set to become an important education hub of the country, with 14 new institutes coming up in the state. The new institutes include medical and technical colleges, an Indian Institute of Management and an All India Institute of Medical Sciences (AIIMS). With an investment of Rs.20 billion, Haryana will get some state level institutes, a central university in Mahendra Garh, an IIM in Rohtak, an AIIMS in Jhajjar and a defence university in Gurgaon. A 2,500-acre Rajiv Gandhi Education City in Sonapat is also on the anvil. Nearly 10,000 students are expected to get quality education every year at these new institutes.

### **Haryana to introduce WBCIS scheme (Source: Business Standard, Date: 27/03/2010)**

The Haryana government has announced implementation of the Weather-Based Crop Insurance Scheme (WBCIS) on a pilot basis in three blocks of the state. WBCIS for wheat crop has been implemented on pilot basis in the three blocks of Ambala-II in Ambala district, Babain in Kurukshetra district and Tohana in Fatehabad district. The main objectives of the scheme is to provide insurance coverage and financial support to the farmers in the event of failure of crop as a result of unfavourable weather conditions like excess rainfall and high temperature, encourage farmers to adopt progressive farming practices and high value in-puts in agriculture and compensate the farmers for their extra inputs / costs applied at their level for getting good yield.

### **Focus on water supply to rural areas (Source: The Hindu, Date: 20/03/2010)**

The Haryana Government has allocated Rs.13 billion for water supply and sanitation schemes for 2010-11, which includes Rs.6.7 billion on the Plan side and Rs.6.3 billion on the non-Plan side. The State Government had accorded priority to augmentation of water supply in the deficient villages. Water supply for 1,971 identified deficient villages would be augmented by March 31, while supply to 950 villages would be augmented under various schemes during 2010-11.

### **Govt. to improve power situation in Haryana (Source: Tribune News Service, Date: 24/03/2010)**

The Haryana government intends to improve power situation in the state, both, in terms of power generation and distribution. The Government plans to spend Rs.46.1 billion to strengthen the power transmission system in the state.

### **Mining shut, building material prices up (Source: Tribune News Service, Date: 14/03/2010)**

The closure of mining operations in rivers of the Panchkula has started pinching on the pockets of consumers of building material. Prices of sand, gravel and boulders has increased by around 25% since March 1, 2010. Stocks with contractors have started depleting. Mining had been shut in Haryana from March 1, 2010 pending a court case. A special leave petition had been filed in the Supreme Court, challenging the time granted to Haryana by the high court for framing of terms of reference for environmental clearance.

### **Centre considers compensation for Haryana & Punjab (Source: Business Standard, 13/03/2010)**

The central government is considering to offer compensation packages to Haryana and Punjab for merging the purchase tax with the Goods and Services Tax (GST). The two states are currently collecting Rs.10 billion each by way of the purchase tax, as there are more sellers than buyers in these states for the agricultural produce.

**Pharma units seek excise relief (Source: Tribune News Service, Date: 11/03/2010)**

Pharmaceutical units in Haryana have demanded the central excise exemption on small-scale industries, which is presently Rs. 15 million for all types of industries, should be increased to Rs. 50 million in case of pharma industry. The pharma units have also demanded that while calculating excise, abatement of 60% should be stipulated instead of 35% allowed at present, so as to remove anomalies of maximum retail price (MRP) excise.

**Housing complex for industrial workers (Source: Tribune News Service, Date: 23/03/2010)**

Chief Minister Bhupinder Singh Hooda inaugurated the state's first housing complex for industrial labourers in Sector 8 of IMT, Manesar. The housing complex has been developed on 5 acres of land by the Haryana State Industrial Infrastructure Development Corporation (HSIIDC) at a cost of Rs.76.4 million.

## HARYANA

### INVESTMENT TRACKER

**Emaar MGF puts in Rs.5bn in mid-income housing project (Source: Economic Times, Date: 20/03/2010)**

Real estate major Emaar MGF is set to invest Rs.5 billion towards developing a mid-income housing project at Gurgaon in Haryana. The company recently announced that it plans to develop 1,250 units in the 29 acre-project—Palm Hills—in Sector 77 in Gurgaon. Emaar MGF plans to carry out the project in four phases. The company recently launched the first phase with 300 units; another 300 will be launched in the second phase. With a starting price of Rs.4.8 million, the company managed to sell 650 units in the first phase.

**Rs.3bn for Samalkha's development (Source: Tribune News Service, Date: 02/03/2010)**

The Haryana state government announced plans to make an estimated investment of over Rs.3 billion towards the overall development of Samalkha. A master plan was being prepared to upgrade the existing infrastructure in this segment, including water supply, construction of lanes, upgradation of schools, construction of chaupals in villages and opening up of new anganwadi centres. The government had already sanctioned construction of five new grid stations in Samalkha and six more are likely to be approved soon.

**ABB bags USD22mn power orders from Haryana (Source: Business Standard, Date: 09/03/2010)**

ABB Ltd, a leading power and automation technology firm, has won orders worth USD22 million from Haryana Vidyut Prasaran Nigam Ltd (HVPNL) for four turnkey substations for the regional grid. The project scope involves design, supply, installation and commissioning of the substations.

**ABW Infra set to invest Rs.10bn in Gurgaon (Source: Financial Express, Date: 16/03/2010)**

Realty firm ABW Infrastructure announced plans to invest Rs.10 billion towards developing a 105-acre integrated township in Gurgaon. The township will be the company's flagship project with about 2,500 apartments. The flats will cost between Rs.196.2 million and Rs.550 million. The company has already acquired the land for the project and construction will start soon. The project, Aditya Niketan, will be developed in different phases and the entire township will be completed in the next five years.

**Tourism boost for Panchkula, Y'nagar (Source: Tribune News Service, Date: 26/03/2010)**

The Panchkula-Yamunanagar-Paonta Sahib stretch is being developed as the mega tourism circuit. The project had been prioritised by state governments for central financial assistance that could go up to Rs.500 million. Earlier, the ministry identified 29 destinations and circuits, including Panipat-Kurukshetra-Pinjore, for development through mega projects on the basis of footfalls and future potential in consultation with the state governments concerned.

**HSIIDC acquires land for new industrial clusters (Source: Business Standard, Date: 05/03/2010)**

The Haryana State Industrial & Infrastructure Development Corporation Limited (HSIIDC) has completed acquisition of about 3,000 acres of land and another 3,000 acres are likely to be acquired by the end of the current fiscal year. This was disclosed here by Managing Director of the corporation, while highlighting the performance of the corporation during the current financial year and plans for the next financial year. The Director informed that the major acquisitions during the financial year so far included 1,800 acres for Industrial Model Township (IMT) Rohtak, 300 acres for IMT Manakpur, 250 acres for industrial estate, Karnal, 350 acres for industrial estates, Rai and 107

acres for the Kundli-Manesar-Palwal Expressway for interchanges and railway sidings. The Director added that further acquisitions of 3,000 acres till March 31, 2010 would include 679 acres for growth centre, Bawal, 651 acres for expansion of industrial estate, Barhi, 159 for provision of utilities in IMT Manesar and 1,500 acres for a greenfield industrial estate at Sohna in Mewat.

**N-power plant to come up at Gorakhpur (Source: Financial Express, Date: 09/03/2010)**

Nuclear Power Corp of India Ltd (NPCIL) has selected Gorakhpur village in Fatehabad district of Haryana to set up the state's first 4X700 mw nuclear power plant. The plant will be set up over 1,000 acres and will consume about 50 tonne of uranium annually, with about 700 officials/officers working in this plant. The project is likely to entail an investment of around Rs.120-140 billion over a period of time. It will be a green project with zero emission.

**News**

**IT exports from Haryana touch Rs.210bn (Source: Tribune News Service, Date: 10/03/2010)**

Information Technology (IT) and Information Technology-Enabled Services (ITES) exports from Haryana touched a figure of Rs.210 billion during the past year. The volume of software exports from Haryana has shown a steady rise during the past several years. Software exports from the state during financial year 2008-09 showed a growth of about 17%. Gurgaon has the lion's share in software exports as more than 90% of IT and ITES units of the state are located in the district. As of now, there are around 400 IT and ITES companies operating in the district.

**Coop sugar mill to get substation (Source: Tribune News Service, Date: 13/03/2010)**

A distillery and a 66 kVA substation will be established on the premises of Shahabad Cooperative Sugar Mill at Shahabad Markanda. The new plant, which will be named Sardar Udham Singh Plant, would produce 24 MW of power per day, out of which 16 MW would be sold to the State Power Department and the remaining would be utilised in the sugar mills. The plant had been set up at a cost of Rs.1 billion, while the proposed distillery would be set up at a cost of about Rs. 300 million.

## HIMACHAL PRADESH

### POLICY TRACKER

**Himachal proposes to increase VAT, entry tax (Source: Business Standard, Date: 13/03/2010)**

The Himachal Pradesh Budget for 2010-11 has proposed to raise the value added tax (VAT) from the existing 4% to 5% on all items, except edible oils and foodgrains. The government also proposed to introduce tax on entry of goods used by industries and projects, and on those imported for turnkey projects, pan masala, tobacco and cigarettes among others. A Bill on the same will be introduced in the current session with the objective to generate additional tax revenues. According to an estimate, over Rs.1 billion is expected to be collected by raising VAT and the entry tax.

**New policy prohibits shifting of dam site (Source: Tribune News Service, Date: 10/03/2010)**

The hydropower developers will not be able to shift the sites of dam and power house as per the new project allotment policy, under which boundaries will be marked on the ground. They will be required to provide more free power to the government as royalty in case the capacity of the project is enhanced beyond 20% after the preparation of detailed project report. So far, only elevation of the sites were provided in the bid document and developers mostly shifted location of dams and power houses at their convenience and also increased the capacity of project. Henceforth, the domain of the project will be marked at both intake and outfall locations at the time of allotment of the project. It will not be altered and any increase or decrease in capacity will be subject to the developer remaining within the domain. However, in exceptional cases, where factors like difficult terrain, environmental safety, poor geological conditions, make it impossible to execute the work, the boundaries could be shifted by up to 10 m with the prior approval of the government.

**Cabinet nod to excise policy (Source: Tribune News Service, Date: 06/03/2010)**

The Cabinet approved a new excise policy with a revenue target of Rs.5.4 billion for the year 2010-11. According to the new policy, there would be an enhancement in the licence fee for bars and an increase in the prices of different kinds of liquor varying between Re.1 and Rs.2 per bottle. Interestingly, the new excise policy also proposes to do away with plastic bottles keeping in mind the ban on plastic by the state government. As a step towards checking smuggling of liquor, the government will have secret codes which can be easily detected from the bottles to ascertain from which area and vend the liquor has been smuggle.

#### News

**Single window clears 14 new projects (Source: My Himachal, Date: 17/03/2010)**

The single window clearance authority of Himachal Pradesh government has cleared 14 new industrial proposals and one expansion proposal. The cleared proposals include setting up of an integrated textile park at Thathal in Una district. Himachal Textile Park Ltd would be establishing state of the art textile park over 65 acres of land for which the organisation has proposed to invest Rs.1.1 billion. The park is scheduled to be completed by end of 2010-11 and would employ 2,200 people.

**Govt. focus on tourism industry (Source: Business Standard, Date: 15/03/2010)**

The Himachal Pradesh government has proposed to develop 125 new places across the state as tourist attraction. For this, both the centre and state governments have sanctioned funds. The state registered a significant increase in number of tourist arrivals last year. As compared to 9.75 million tourists in 2008, the number rose to 11.4 million in 2009, including 400,583 foreigners.

**Himachal growing at 7.5%: Economic Survey (Source: Business Standard, Date: 12/03/2010)**

The growth rate of Himachal Pradesh's economy for the current financial year is estimated at 7.5%, which is marginally higher than the national level of 7.2%. The GSDP of the state at current prices is likely to be about Rs.423 billion as compared to Rs.369 billion during the previous fiscal year.

**Rush to register new drug products in Himachal (Source: Business Standard, Date: 28/03/2010)**

Pharmaceutical companies in Himachal Pradesh are queuing up to register new products at the drugs controller's office before the seven-year tax holiday window for hill states ends on March 31. New products coming out of the existing machinery after the cut-off date will attract excise duty. Himachal drug firms that mostly engaged in contract manufacturing are trying to register as many products as possible before the month ends. Over 450 drug companies have their production units in the state. Pharmaceutical majors, including Ranbaxy, Dr Reddys and GSK, have manufacturing presence in the state.

**Focus on floriculture industry (Source: Business Standard, Date: 04/03/2010)**

Floriculture is emerging as one of the major activities in the hills of Himachal Pradesh. The industry is generating an economy of Rs.280 million annually. Floriculture began to spread after the launch of the horticulture mission project in the state. Financial assistance and technical inputs have also helped in the spread of flower cultivation.

**RE framework regulations notified (Source: Tribune News Service, Date: 15/03/2010)**

Small hydropower generators (upto 25 MW) in the state stand to gain much with implementation of the Renewable Energy (RE) framework under which power from renewable sources will be priced not only for energy, but also for its environmental attributes. The RE generators will get additional benefit, over and above the normal price at which electricity is sold, in the shape of RECs (renewable energy certificates) to be purchased by obligated entities at rates determined by the central electricity regulatory commission (CERC). An REC will be equivalent to 1 MW hour of power which could be traded through the approved power exchanges like the shares within the band of a floor price and a forbearance (ceiling) price to be determined by the CERC from time to time. The CERC has already notified the regulations for implementation of the REC framework and the state electricity regulatory commission (SERC) has issued draft regulations which will come into force from April 1, 2010.

**Planning panel okays Rs.30bn plan (Source: Tribune News Service, Date: 08/03/2010)**

The Planning Commission has approved an annual plan of Rs.30 billion for the state for the year 2010-11 which is Rs.3 billion more in comparison to the size of the annual plan for the current fiscal. State Chief Minister said the social sector had been given top priority with an allocation of Rs.10.1 billion (33.7%), followed by transport and communications with 5.9 billion (19.6%) and energy sector for which Rs.3.5 billion (11.8%) had been earmarked. Agriculture and allied services had been allotted Rs.3.4 billion, rural development Rs.1.7 billion, special area programmes Rs.129.7 million, irrigations and flood control Rs.3.1 billion, industry and mineral Rs.272.5 million, science technology and environment Rs.200 million, general economic services Rs.934.5 million and general services Rs.702.4 million.

**Govt mulls buying medicines from pharma firms (Source: Tribune News Service, Date: 04/03/2010)**

The government said recently that it would explore the possibility of purchasing medicines in bulk directly from leading pharmaceutical companies who had manufacturing units in Himachal so that the prices worked out to be less. According to state Health Minister, Civil Supplies Corporation made supply of medicines according to the demand placed by the health department.

**Fabindia's expo draws crowds (Source: Tribune News Service, Date: 04/03/2010)**

Fabindia's first-ever exhibition in the cantonment town showcasing a varied range of garments and home furnishings drew a good crowd of locals with nearly 40% of the garments being sold. The

three-day special exhibition was a special hit with women who continued to throng the place throughout the day. Offering an extensive and contemporary range of products in both textile and non-textile the exhibition had much to offer to the visitors.

**Paper mills incur heavy losses (Source: Tribune News Service, Date: 28/02/2010)**

Faced with increasing price and scarcity of various raw material, paper mills were incurring heavy losses, forcing them to shut their operations every now and then. While the packaging industry has been alleging abrupt hike in paper prices, the All India Kraft and Recycle Paper Mill Association has decided to announce a hike of Rs.2 from April 1, 2010. This decision was taken at a recent meeting of the association where it was decided not to bring about any more hike in the paper prices for April and May. The association will, however, convene a review meeting on May 15 and take a decision on further price hike if the market situation did not improve, according to its Chairman. About 300 paper mills in north India have been going through tough times with majority of them incurring losses due to hike in prices of various raw materials. Earlier, these mills used bagasse (crushed sugarcane pulp). Since the sugarcane mills in Uttar Pradesh, which was the major supplier, have been directed to use this as a boiler fuel instead of the earlier coal due to pollution concerns, it has become a scarce commodity. Moreover, the increased coal prices have also deterred the industry. Bagasse comprises almost 50% raw material of the paper mills.

**Shimla, Hamirpur to be developed as 'solar cities' (Source: Financial Express, Date: 15/02/2010)**

In a bid to harness solar energy in a big way, Himachal Pradesh government has decided to develop Shimla and Hamirpur as 'solar cities'. Solar energy harnessing equipments will be installed on important heritage buildings in the state. Two state-level energy parks are proposed to be developed at Dr Yashwant Singh Parmar Horticulture university Solan and National Institute of Technology, Hamirpur.

**Power tariff likely to increase (Source: Tribune News Service, Date: 24/03/2010)**

The Himachal Pradesh government has voiced intention to supply power to the State Electricity Board at market price. As such, the government power will cost the board around Rs.6 per unit, raising its power purchase cost by over Rs.2 billion. The domestic consumers will have to bear the brunt of the hike as power subsidy has been frozen at Rs 140 crore under the agreement signed by the government with the World Bank for availing Rs.9 billion development policy loan. A senior official of the board said the only alternative to a steep hike in the tariff was to impose power cuts on industries.

**Himachal to tap additional 300 MW from Beas River (Source: My Himachal, Date: 25/03/2010)**

According to the Himachal Pradesh state government, there is a potential to tap 300 MW hydropower between the upstream diversion of Beas River at Pandoh dam to Naudan. The 55 MW Dhaula Singh hydroelectric project is coming up in the area, would entail an investment of Rs.4.8 billion. The Dhaula Sidh project has been allotted to SJVNL, a public sector generation company. The Dhaula-Sidh and other projects like the 100 MW Uhl being constructed in the stretch between Pandoh and Pong would enhance the generation capacity of the large watershed.

## HIMACHAL PRADESH

### INVESTMENT TRACKER

#### **Cocoberry to invest in North India (Source: Business Standard, Date: 26/03/2010)**

Cocoberry, the first Indian premium yogurt chain, announced plans to expand operations into Tier II and Tier III cities of North Indian states. An investment of over Rs.1 billion has been earmarked for the expansion that would help the brand penetrate into most of the towns in North India. North of Delhi would remain the focus of retail operations and 60% of the new stores would be opened in Delhi, Punjab and Haryana. Cocoberry already has a processing facility in Gurgaon and plans to set up another in Himachal Pradesh as the state offers incentives to the food processing units.

#### **Hero Honda to set up unit in Himachal (Source: Economic Times, Date: 23/03/2010)**

Two-wheeler auto major Hero Honda announced plans to set up a manufacturing unit in Sirmaur district of Himachal Pradesh with an outlay of Rs.20 billion. The company is also planning to set up its auxiliary units along with the main unit on more than 400 acres. This will be the company's third unit in the country. It has a unit in Gurgaon in Haryana and Haridwar in Uttarakhand. The company is keen to commission its third unit in Sirmaur as it borders Uttarakhand and is near its Haridwar facility.

#### **New airport to come up in Himachal (Source: Business Standard, Date: 23/03/2010)**

Himachal Pradesh government announced plans to set up an international airport with the help of private investment. Sources in government say around 200 acres will be needed to build the airport, as officials have begun to scout for land in the hills of Shimla and Solan districts. Private companies have already started showing keen interest to build the project under the private-public partnership (PPP) mode. According to one estimate, the cost of the project will come to something between Rs.20 billion and Rs.30 billion.

#### **News**

#### **ADB loan for hydropower in Himachal Pradesh (Source: Economic Times, Date: 14/03/2010)**

Himachal Pradesh will get a multimillion-dollar loan from the Asian Development Bank (ADB) for the construction of four hydropower generating plants in the state. ADB would soon release the second instalment of USD59.1 million under the Himachal Pradesh Clean Energy Development Investment Programme. The projects being financed by the loan are Sawara-Kuddu (111 MW) in Shimla district, Kashang (195 MW) and Shongtong-Karchham (402 MW) in Kinnaur district and Sainj (100 MW) in Kullu district. The total estimated cost of these projects is USD1.5 billion.

#### **Work on Baddi trade centre takes off (Source: Financial Express, Date: 14/03/2010)**

Work has started at the site of the proposed Baddi trade centre. As the land development work gets underway, the retention wall constructed and other basic infrastructure being readied. The trade centre will come up at Bhatoli Kalan village in Baddi industrial belt spread over around 15 acre. The project is likely to attract an investment of about Rs.104 million and has already been approved under the Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE) scheme of the Centre. About 80% of the funds will be allotted by the central government and the rest will be contributed by the state government.

## HIMACHAL PRADESH

### NOTIFICATION TRACKER

#### EXCISE & TAXATION DEPARTMENT

No EXN-F (1)-1/2010

Date: 27.03.2010

#### NOTIFICATION

In exercise of the powers conferred by section 31 and 32 of the Punjab Excise Act, 1914 (1 of 1914) as in force in Himachal Pradesh and read with the H.P. Excise Fiscal Orders 1965 notified vide this Government Notification No.1-17/64-E&T dated 28.10.1965 (hereinafter called the "said notification") and in supersession of all previous notifications issued in this regard, the Governor, Himachal Pradesh is pleased to prescribe the following rates of Excise Duty, Manufacture and Export fee and other levies on excisable articles, with effect from 1.4.2010 :-

Sl. No.	Kind of Spirit	Rate (In Rs.)
1	<u>Excise Duties:</u> <u>Country Spirit</u> (a) Plain spirit (b) Ordinary spiced with 50o proof strength. (c) Ordinary spiced with 65o proof strength.	Rs. 10.00 per proof litre Rs. 7.00 per proof litre Rs. 15.00 per proof litre
2	Rectified Spirit	10.00 per proof litre.
3	All other sorts of spirits, (Indian Made Foreign Spirit) except denatured spirit:	Rs. 25.00 per proof litre

Note: For full text the aforesaid notification may be referred to.

By order,

Principal Secretary (E&T) to the  
Government of Himachal Pradesh

No EXN-F (1)-1/2010

Date: 27.03.2010

### NOTIFICATION

In exercise of the powers conferred by section 10 of the Himachal Pradesh Value Added Tax Act, 2005 (Act No. 12 of 2005), the Governor of Himachal Pradesh proposes to make the following amendments in Schedule 'A' appended to the said Act and the same are hereby published in the Rajpatra, Himachal Pradesh (Extra-ordinary) for the information of the general public;

If any interested person likely to be affected has any objection(s) or suggestion(s) with regard to these amendments, he may send the same to the Excise and Taxation Commissioner, Himachal Pradesh, Shimla-171009 within a period of ten days from the date of publication of this notification;

Objection(s)/suggestion(s), if any, received within the above stipulated period shall be taken into consideration by the Government before finalizing the same, namely:-

### DRAFT AMENDMENTS

In Schedule 'A',---

(i) For the existing PART-II the following new Part-II shall be substituted; namely:-

#### “Part-II

2. Declared goods as specified in section 14 of the Central Sales Tax Act, 1956 (Central Act, 74 of 1956)
3. Edible oils, oil cake.
4. Flour (atta), maida, suji, besan etc.
5. Paddy, rice, wheat and pulses
6. Vanspati (hydrogenated vegetable oil).
7. Vegetable oil including gingili oil and bran oil.
8. Cotton.
9. Cotton Yarn”; and

Note: For full text the aforesaid notification may be referred to.

By order,

Principal Secretary (E&T) to the  
Government of Himachal Pradesh

No.EXN-F(10)-1/2010

Date: 11.03.2010

**NOTIFICATION**

In exercise of the powers conferred by Sub-Section (1) of Section 3-A of the Himachal Pradesh Tolls Act, 1975, the Governor of Himachal Pradesh is pleased to specify 1st April 2010, as the date w.e.f. which the right to collect toll levied under Section 3, for the financial year 2010-11 i.e. w.e.f. 1.4.2010 to 31.3.2011, shall be leased out to a person by auction or by calling tenders or combination of both or any other mode in the interest of revenue.

The Governor of Himachal Pradesh is further pleased to order that the terms and conditions of the lease shall be such as may be determined separately by the Excise & Taxation Commissioner, Himachal Pradesh with the approval of the State Government.

By order,

Principal Secretary (E&T) to the  
Government of Himachal Pradesh

No. EXN-F(10)-1/2010(i),

Date: 11.03.2010

**NOTIFICATION**

In exercise of the powers conferred by section 3 of the Himachal Pradesh Tolls Act, 1975 (Act No. 9 of 1975), the Governor of Himachal Pradesh proposes to make the following amendments in Schedule I w.e.f. 1st day of April, 2010, namely:-

**AMENDMENTS**

1. Amendment of Schedule-I :-

In Schedule-I, against item at Sr. No. 1, sub-item (a), (b), (c) and (d) for the existing words signs and figures "Rs. 120/-", "Rs.100/-", "Rs.50/-" and "Rs.40/-" appearing in column No.3, the words, signs and figures "Rs. 240/-", "Rs.150/-", "Rs.75/-" and "Rs. 60/-", shall be substituted respectively.

Any interested person who has any objection(s)/suggestion(s) in relation to the proposed amendment may send the same to the Excise and Taxation Commissioner, Himachal Pradesh, Shimla-171009 within a period of 10 days from the date of publication of this notification in Rajpatra, Himachal Pradesh (Extra Ordinary). The objection(s)/suggestion(s), if any, received within the stipulated period of 10 days shall be duly considered by the Government before the finalization of the draft amendment.

By order,

Principal Secretary (E&T) to the  
Government of Himachal Pradesh

## JAMMU & KASHMIR

### POLICY TRACKER

#### **New Education Act from next session (Source: Tribune News Service, 13/03/2010)**

The State Assembly gave its approval for introducing a new Education Act and also accepted the long pending demand of amendment to the existing J&K Board of School Education Act, 1975, which had never been reviewed since its enforcement. There was a long pending demand and a dire need for reviewing the existing education system, as the standard of government schools had been going down and these schools had shown poor results in the past few years.

#### **Four Bills passed (Source: Tribune News Service, 02/03/2010)**

The Jammu & Kashmir Assembly passed four Bills with voice vote. According to an official statement, a Bill to amend the Jammu and Kashmir Employees Provident Funds and Miscellaneous Provisions Act, 1961 was moved by Minister for Labour and Employment. The Bill aims at making a provision for an appeal against the order of the Provident Fund Commission by the aggrieved employees within 30 days for review of the order. Minister for Finance and Ladakh Affairs moved a Bill to amend the Jammu and Kashmir Fiscal Responsibility and Budget Management (FRBM) Act, 2006. The objective of the Bill, inter-alia is to avail the current year's benefit of Rs.1.2 billion for bringing the fiscal deficit to 4% of the Gross State Domestic Product (GSDP). A Bill to prohibit benami transactions and the right to recover property held benami and for matters connected there with or incidental thereto was moved by Minister for Law and Parliamentary Affairs Ali Mohammad Sagar.

#### **New**

#### **Govt. to decentralise fertiliser distribution (Source: Tribune News Service, 13/03/2010)**

To check erratic supply of and shortfall in fertilisers in remote and far-flung productive areas of the state, the government is focusing on decentralisation and streamlining of fertiliser distribution in the interest of farmers and development of agriculture. Under the new mechanism, the chief agriculture officer had been authorised to issue fertiliser distribution licenses to applicants, while criteria for seeking the license too had been liberalised. Such a mechanism would ensure the distribution of desired composition of fertilisers on fixed rates near the localities of the farmers.

#### **Service tax hiked by 2% (Source: Tribune News Service, 12/03/2010)**

Presenting a zero deficit Budget, Finance Minister increased service tax by 2% to 10% and gave a special focus to farmers and industry. Marking the state's march on road to economic recovery, the Budget pegged the GDP growth at 10.03%, higher than the national GDP growth rate, and increase in the per capita income at 8.54%. It also hiked toll tax chargeable by weight to Rs.50 per quintal from Rs.40 per quintal. The state, however, was still largely dependent on the Central government for funds and grants. Incentives to encourage mechanisation and modern agriculture included abolishing VAT and toll tax on agricultural tools and implements. Toll tax on fodder, pesticides, weedicides and insecticides and all types of fertilisers and beehives has also been abolished. Further, a stimulus of Rs.500 per metric tonne of urea will be given to farmers.

#### **Eco-friendly polythene bags launched (Source: Tribune News Service, 11/03/2010)**

Now there won't be any shortage of polythene bags in the market, as its alternative oxo-bio degradable eco-friendly polythene carry bag was recently launched. The inaugural ceremony was organised by RIDI GALA Enterprises. Members of the enterprises highlighted the benefits of the product. They said this polythene bag would pass through five stages and at the last stage the bag would be recycled.

**Minister lays stone of dockyard (Source: Tribune News Service, 07/03/2010)**

Minister for Tourism laid the foundation stone of a dockyard at Kohnakhan, this being the first such yard for repair and renovation of the houseboats. State Tourism Ministry had interacted with the national and international tour operators and conducted road shows in various states to make the tourist season successful. The house boats of Kashmir located in the Dal and Nigeen lakes were famous worldwide and the owners have to take steps in preserving the beauty of these water bodies.

**Saffron production on decline (Source: Tribune News Service, 05/03/2010)**

The production of high quality saffron, exclusively produced in Kishtwar district of the Jammu province, has been declining during the last few years. Though the government claims to have taken effective steps to increase its production, the declining trend is continuing unchecked. Till recently, a bumper crop of saffron was a regular feature, but it declined during the last couple of years. The saffron cultivation areas of the state had been brought under the Rashtriya Krishi Vikas Yojana, under which, besides providing the necessary know-how, quality seeds were being provided to farmers. With the collaboration of the Sher-e-Kashmir University of Agricultural Science and Technology (SKUAST), the Department of Agriculture had organised various awareness camps in Kishtwar district to educate farmers about the latest farming practices of the saffron crop and managing and controlling the Corm Rot Disease (CRD).

**Modalities for development plan discussed (Source: Tribune News Service, 04/03/2010)**

Consensus emerged at a one-day workshop to discuss the modalities for the preparation of Economic Opportunity Development Plan (EODP) to develop holy Devika at Udhampur town as pilgrimage tourist destination. The idea received nod due to almost central location of Udhampur in the tourist circuit comprising Vaishno Devi shrine, Sudhmahadev and Maantalai. Highlighting the purpose of the workshop, the District Development Commissioner, Udhampur, said the purpose of this workshop was to discuss the background of economic opportunity development plans and to know the actual requirements to make the town eligible for funding of infrastructure under the Asian Development Bank (ADB) Scheme.

**Focus on faster development of remote areas: CM (Source: Tribune News Service, 03/03/2010)**

According to Chief Minister, the government was focusing on faster and balanced development of far-flung and remote areas. While measures have been initiated to upgrade five important sectors of road, health, education, water and power supply, steps are also afoot to ensure the integrated development of horticulture, agriculture and allied sectors in the rural areas. The Chief Minister under a comprehensive rural development strategy put in place by the government, the necessary thrust had been given to provide basic amenities to people. Following the completion of scores of schemes under implementation across the state, there would be a tremendous impact on the development front.

**Land for central varsities identified (Source: Tribune News Service, 02/03/2010)**

About six months after setting up a separate central university in Jammu, the Union Human Resources Development (HRD) Ministry has identified land for the two universities in Kashmir and Jammu regions, while the academic programmes are commencing this summer. The land for the Central University of Kashmir has been identified in the Tulamulla area of Ganderbal district, while that for the Central University of Jammu in Samba district, informed sources revealed. However, a formal decision regarding the identification of land for the two universities was awaited, which was expected within a week.

**Polythene bag manufacture ban kept in abeyance (Source: Tribune News Service, 02/03/2010)**

The Jammu and Kashmir High Court kept in abeyance the ban on manufacturing of polythene bags

in the state. The order was passed by Justice in response to a petition filed by JK Polythene Manufacturers and Traders Association against the government notice dated January 25, 2010, which imposed a ban on selling, manufacturing, storing and transporting polythene carry bags. However, in terms of the state government's order of June 18, 2008, there was no ban on manufacturing polythene bags. After hearing both the sides and going through the provisions of the JK State Non-Bio Degradable Material Act, 2007, and the June 18, 2008, order besides others passed by the competent authority, Justice Hakim Imtiyaz Hussain observed "there is no ban on the manufacturing of polythene bags by the competent authority.

## **JAMMU & KASHMIR**

### **INVESTMENT TRACKER**

**Center announces power projects for Ladakh (Source: Tribune News Service, 28/02/2010)**

Center announced Rs.5 billion for small hydro and solar power projects in Ladakh. As the area faces extremely harsh climate, the package envisages easing energy supply. This package envisages construction of 30 small/micro hydel projects of 23.5 MW, 300 SPV power plants of 5-100 KWs. It would enable minimising use of diesel, kerosene and firewood and make the life of the people more comfortable.

# PUNJAB

## POLICY TRACKER

### **House amends legislation on VAT, entertainment duty (Source: Tribune News Service, Date: 12/03/2010)**

The Punjab Assembly recently passed two Bills amending the existing legislation with regard to the Value Added Tax (VAT) and entertainment duty. This would enable the government to collect additional taxes from VAT and DTH service as per the recommendations of the Sukhbir-Kalia committee on resource mobilisation. The Bills called for amendment of the Entertainment Duty (amendment) Bill, 2010, by making proprietors of DTH services liable to a 10% entertainment duty on all subscriptions received by them. Similarly, the Value Added Tax (amendment) Bill, 2010, calls for levy of an additional tax calculated at the rate of 10% of the tax already paid.

### **Punjab announces amended building bylaws (Source: Business Standard, Date: 06/03/2010)**

In order to strike a balance between changing needs of society and emerging urban development scenario, the Punjab government has announced amended building bylaws. According to Minister for Industry, Commerce and Local government, to cope with factors like rapid-urbanisation, horizontal sprawling, increasing pressure on basic infrastructure and changes in socio-economic had necessitated the cause for bringing in new building bylaws. Revealing the amended building bylaws 2010, the Minister said to encourage group housing in Punjab number of laws had been amended. The minimum plot size required for group housing is to be reduced to 2,500 square yard as against minimum plot size of 3,500 square yard at present. Similarly the floor area ratio in group housing has been increased to 1:1.175 in place of 1:1.135 for projects abutting 40 feet to 60 feet, and 1:2.00 in place of 1:1.65 for projects abutting roads having 60 feet and above.

## **News**

### **State to allot liquor vends on monopoly basis (Source: Tribune News Service, Date: 11/03/2010)**

The Punjab Excise and Taxation Department is going to allot liquor vends in various pockets on a monopoly basis without fixing the maximum limit of the sale price of bottles. According to the newly carved policy, all vends of the Punjab Medium Liquor (L-14 A) and Indian Made Foreign Liquor (L-2) would be allotted through a district-wise draw system.

### **PPCB to crack whip on erring units (Source: Tribune News Service, Date: 15/03/2010)**

The Punjab Pollution Control Board (PPCB) has taken a strict stand against the industrial units flouting the norms pertaining to the dumping of hazardous waste. The board has given an ultimatum of one month to the industrial units, which are generating hazardous waste, to obtain membership of the common treatment, storage and disposal facility (TSDF) at Nimbua, Dera Bassi. After the stipulated time period, the industrial units found not complying with the board direction will be liable for strict action, including the closure of unit.

### **State seeks cash credit limit of Rs.130bn (Source: Tribune News Service, Date: 14/03/2010)**

The state government has made arrangements for procurement of wheat starting April 1. It has sought Rs.130 billion cash credit limit to ensure smooth procurement and timely payment to the farmers. Although the arrangements have been finalised, the biggest challenge before the government is storage of the procured wheat.

### **Agri, secondary sectors at standstill (Source: Tribune News Service, Date: 16/03/2010)**

Punjab has been unable to make its revenue receipts keep pace with growing revenue expenditure

due to its mounting debt burden. As a result, key areas like agriculture and the secondary sector are at standstill leading to a rise in fiscal deficit. The share of agriculture in gross state domestic produce (GSDP) has declined from 26.3% in 1992-2000 to 19.5% in 2008-09, according to a survey conducted by the State Economic and Statistical Organisation. It said agriculture production has reached a plateau and that soil fertility in the state has deteriorated due to the adoption of rice-wheat rotation. The survey said agriculture in the state has been structured to ensure food security. However, with the establishment of WTO regime, the “agreement on agriculture” would put constraints on the state’s economy. Referring to the 14,400 km of canal surface water distribution system, the survey says it has outlived its life and is being increasingly replaced with tubewells. Because of this, 128 out of the 137 development blocks have been classified as over-exploited areas. It says water conservation techniques, ban on paddy plantation before May 10 and rehabilitation of the canal network are being undertaken in this regard.

**Focus on disease-resistant wheat, rice varieties (Source: Tribune News Service, Date: 15/03/2010)**

As the Punjab Agriculture University (PAU) Research Station claws its way successfully into its 100th year, officials there are now focusing on developing high-yielding and disease-resistant varieties of wheat, rice, basmati, maize, sugarcane, pulses, oilseeds, forages and fruits. These varieties are being developed and would later be evaluated at the station itself before being released for cultivation. Genetic sources of resistance have been identified by the scientist and are used in breeding programmes.

**Potato glut troubles farmers (Source: Tribune News Service, Date: 13/03/2010)**

Farmers are a distressed lot with no buyers of bumper potato crop even after the harvesting season has almost come to an end. They are faced with a glut-like situation just after a year the government had to step in to announce relief measures for them, including exporting the surplus crop to the Gulf and South East countries.

**Annual Plan may be pegged at Rs.90bn (Source: Tribune News Service, Date: 09/03/2010)**

The Punjab Annual Plan for 2010-11 is likely to be pegged at Rs.90 billion. Of the Rs.90 billion, Rs.45 billion will be provided from the state Budget. It would also include about Rs.11 billion to be raised from financial institutions such as the World Bank and NABARD. Besides it, Rs.12 billion would come from the Central Government under an assistance plan for various Central and other schemes. The remaining Rs.45 billion would be spent by the PSEB, Punjab Infrastructure Development Board (PIDB) and the Rural Development Board on projects related to these departments figuring in the Annual Plan.

**Rs.500mn more for PU (Source: Tribune News Service, Date: 15/03/2010)**

The Prime Minister’s Office has sanctioned a grant Rs.500 million to Punjab University. The demand for a central status may have died down on the campus, but the nod by the PMO has sent waves of optimism regarding a stature of national importance for the university. Last year the university had prepared a proposal for the PMO, seeking an allocation of Rs.1 billion. Half of it was released last year itself. In the past year, the university witnessed funds pouring in from various quarters. A special grant was given to it for setting up the University Institute of Science and Technology (Centre for Emerging Area and Centre for Sciences (CEAST & COBS) worth Rs.260 million. In addition to this, fixed capping by the Centre for meeting the budget deficit was removed last year, much to the relief of the university.

**Mr Pawar spells ray of hope for 201 variety rice (Source: Times of India, Date: 05/03/2010)**

There is a ray of hope for the controversial paddy 201 variety as Union agriculture minister Mr Sharad Pawar has assured that instructions would soon be issued to the Food Corporation of India (FCI) to buy the stocks. Mr Pawar said this to a delegation comprising members of Punjab Agricultural University (PAU) led by state agriculture minister. Pawar had assured the delegation that

he would issue directions to clear the stock in a few days, according to one of the board members. Dr PS Minhas, director of research, said the variety was rich in iron content due to which its ends were black in colour. As such, intake of this variety can cure anaemia. The Director said the rice was being promoted in the state as it needed less water than other varieties, besides it matured 15 days early than the normal ones. Sources said around 4 million tonnes was stored in godowns as FCI had denied to buy PAU 201 variety of rice on the pretext that damage to grains was more than 4%.

**Punjab and Haryana to benefit from Union Budget (Source: Business Standard, Date: 04/03/2010)**

The states of Punjab and Haryana are expected to gain from the thrust given by the Union Budget on the rural and agriculture sectors by the union Finance Minister. Revised allocation to agriculture and agri-processing industry in form of concessions on setting up of cold chains, cold storage and handling facilities, exemption on customs duty on agricultural machines not manufactured in India, service tax exemption on transportation of cereals would help in strengthening the post-harvest infrastructure, according to Chairman, Economic Affairs & Taxation Sub-Committee, CII Northern Region & COO of a professional services firm KPMG. The extension of farm loan waiver by another six months, the increase in interest rate subvention from 1 per cent to 2% for the farmers who repay in time would help farmers abstain from moneylenders. The Chairman added that all these above measures would generate the demand for corporate sector as the increased farm incomes would drive the demand for consumer goods.

**Punjab to carry out census of telecom towers (Source: Business Standard, Date: 11/03/2010)**

For drafting a state-level Telecom Towers Regulatory Policy, the Punjab Information Technology Department will carry out a comprehensive census of all existing telecommunication towers in the state in the next one month. This was decided at a meeting chaired by state Information Technology Minister. A state-level census of existing telecom towers has been ordered because at present, none of the five or six departments receiving applications related to erection of such towers have complete statistics about the number of such towers that have cropped up all over the state. The Minister also emphasised the need for multiple usage of telecom towers so that every telecom company did not set up its own towers to cover the same area and generate unnecessary congestion, noise and vibrations arising out of the accompanying generators. For that purpose, a study group has been constituted under state Principal Secretary Information Technology to explore as to how many telecom towers are required to cover the entire geographical area of the state and the minimum optimum number of nodal telecom towers which should be jointly used by all telecom service providers.

**State roads to be developed under World Bank plan (Source: Tribune News Service, Date: 28/02/2010)**

Punjab is going to become first state in the country that will develop its existing roads as model roads under World Bank's "optimum performance-based road contracting scheme". In the first phase, the Punjab will execute work on 900 km-long roads in the Malwa, Majha and Doaba regions of the state to repair, maintain or upgrade the same through contractors, for which World Bank will provide loans to the tune of 80%, while the remaining 20% amount will be contributed by the Punjab government. The Department of PWD B&R had earlier submitted a project to the World Bank under the scheme, which had been approved by the World Bank, According to state PWD B&R Minister.

**Organic crop farmers seek admn help (Source: Tribune News Service, Date: 28/03/2010)**

A section of farmers growing organic crops have approached the district administration to help them in selling their produce. They are not using chemicals to grow vegetables and fruits and instead use homemade remedies to get rid of pests and other diseases. However, they fail to get good price in market for their quality crop as they have to sell the produce at one common place where chemical-laced fruits and veggies are also sold. They opined that they could get good price of their produce if they manage to get a separate place.

**Rs.3bn ADB loan for Punjab (Source: Business Standard, Date: 01/03/2010)**

Asian Development Bank (ADB) has sanctioned a loan of Rs.3 billion for the implementation of the recommendations made by United Nations World Tourism Organisation (UNWTO) in their project appraisal report. The state had earlier engaged the services of UNWTO to prepare a strategic master plan for developing the tourism sector in the state. In the first phase, the funding will come for the Amritsar, Sultanpur Lodhi and Keshopur wetlands.

**Industrial units get state safety awards (Source: Tribune News Service, Date: 04/03/2010)**

The national safety day state-level function was celebrated at the National Institute of Pharmaceutical Education and Research (NIPER) recently. Managements of industrial houses showing outstanding performance in safety measures were honoured with the “State Safety Awards” and those workers who played exemplary role in bringing about safety and higher productivity by their valuable suggestions were also honoured with the state-level awards known as “Punjab Kirt Shiromani Award” and “Punjab Kirti Veer Award” by state Labour Minister. The managements of 32 industrial units were given the “State Safety Awards” for zero accidents in their factories. Three Kirt Shiromani and three Kirt Veer Awards for zero accidents in their factories.

**Farmers take turmeric route to get rich dividends (Source: Tribune News Service, Date: 09/03/2010)**

Expecting to get high price for turmeric crop, farmers are busy preparing their fields for turmeric cultivation by mid April. Agriculture Department officials have got queries from farmers seeking information on turmeric cultivation.

**Rs.4bn for green drive (Source: Tribune News Service, Date: 16/03/2010)**

State Finance Minister has earmarked over Rs.4 billion for cleaning up of rivers, research to develop temperature-resistant crops, water conservation, reducing air pollution and other measures that would make Punjab more environmental-friendly. The government puts special emphasis on making the state green because Punjab is likely to most severely affected by climate changes over the next few decades due to its location, dependence on Himalayan waters, and intensive agriculture, according to the Minister. It is a comprehensive strategy to address concerns presented by experts at the world conference on climate change held at Copenhagen.

## PUNJAB

### INVESTMENT TRACKER

**L&T to pump Rs.45bn more into Rajpura plant (Source: Business Standard, Date: 06/03/2010)**

Engineering major Larsen and Toubro (L&T) will invest around Rs.45 billion for setting up an additional unit of 660 mw of Rajpura Thermal Plant, according to Chairman and Managing Director of L&T. The state-of-the-art 1,320-mw mega thermal plant, which will come up in Rajpura is likely to be completed by January 2014. The plant designed, developed and operated by L&T through its subsidiary Nabha-Power Ltd will be spread over 1,080 acre in village Nalash and involve Rs.90-billion investment.

**HCL plans to commence Punjab operations from June (Source: Business Standard, Date: 01/03/2010)**

HCL Infosystems Ltd, country's premier information technology (IT) company has started the process of setting up its unit in Punjab. The company is expected to commence operations at the IT Park in Mohali, by June 2010. The company has also signed a memorandum of understanding (MoU) with the state government, under which it is bound to hire the local youth from polytechnic institutes every year. The IT major will set up a software development unit at the Information Technology (IT) Park in Sector 67 in Mohali, with a capital outlay of Rs.100-150 million. The firm will employ around 500 persons.

**Alpha G:Corp to invest Rs.3500-5000m in Punjab (Source: Business Standard, Date: 09/03/2010)**

Having already invested over Rs 350 crore in the first phase of the mixed use development Mega Project 'AlphaOne' in Amritsar, real estate player Alpha G:Corp Development Private Limited is planning to pump in Rs.3500-5000 million in AlphaOne in the second phase, which will include setting up of service apartments, a premium residential complex and expanded retail space.

**Sukhbir Agro Energy to invest Rs.2.50bn in Punjab (Source: Business Standard, Date: 05/03/2010)**

Punjab-based Sukhbir Agro Energy Ltd is planning to set up two paddy processing and co-generation power plants in Ferozepur and Mansa districts of Punjab with capital outlay of Rs.2.50 billion under the mega project scheme of the Punjab government. The company has submitted its detailed project report to Punjab Agro Industries Corporation Ltd (PAIC), a nodal agency of the state government which helps in promotion and facilitation of agri-based industries. The company has also plans to set up two paddy processing and co-generation power plants in Ferozepur and Mansa. The project in Ferozepur envisages setting up of 80 tonnes per hour (TPH) rice mill, 14.5 Mw bio-mass based co-generation power plant and construction of godown for storage of rice with capacity of 50,000 MT. The project at Mansa envisages setting up of 20 TPH rice mill and a 14.5 Mw bio-mass based co-generation power plant.

**Fun Cinemas launches multiplex in Amritsar (Source: Financial Express, Date: 16/03/2010)**

Fun Cinemas launched a five-screen multiplex at AlphaOne in Amritsar. The multiplex will start operating from March 19. With 1,149 seats, the multiplex is equipped with digital technology for the audio-visual clarity.

## News

### **Ammonia plants to be revamped (Source: Tribune News Service, Date: 11/03/2010)**

National Fertilizers Ltd. (NFL) signed an agreement with Larson & Toubro Ltd (L&T), to revamp the ammonia plants at Bathinda and Panipat by changeover of feedstock from fuel oil to gas. L&T would revamp the units on turnkey basis within 36 months. The Cabinet Committee on Economic Affairs had recently given green signal for conversion of the three units of NFL at Bathinda, Nangal and Panipat into gas-based.

### **Centre to help Punjab attract big investments (Source: The Hindu, Date: 25/03/2010)**

The Government of India has voiced its willingness to help the Punjab Government attract big ticket investment. Big investment projects would provide fillip to the state industrial sector, which has not been able to attract the attention of big corporates mainly due to power shortage, costly land and poor industrial infrastructure.

### **Urban estate to come up near airport (Source: Tribune News Service, Date: 04/03/2010)**

The Greater Mohali Area Development Authority (GMADA) is all set to float an urban estate near the upcoming international airport. Last time, the authority had floated the controversial Sector 78 to 80 housing scheme 10 years ago. The authority was already holding meeting with Punjab National Bank, Dena Bank, Corporation Bank to finance Rs.5 billion, Rs.2 billion and Rs.2 billion, respectively, for the project. The funds are required to pay the land acquisition cost of Rs.10 billion and another Rs.2 billion for the development works.

# PUNJAB

## NOTIFICATION TRACKER

DEPARTMENT OF EXCISE AND TAXATION (EXCISE AND TAXATION II BRANCH)

No. \_\_\_\_\_

Date: 17.03.2010

### NOTIFICATION

In exercise of the powers conferred by sub-section (1) of section 70 read with sub-section (1) of section 13 of the Punjab Value Added Tax Act, 2005 (Punjab Act No. 8 of 2005), and all other powers enabling him in this behalf, the Governor of Punjab is pleased to make the following rules further to amend the Punjab Value Added Tax Rules, 2005, namely :-

### RULES

1. (1) These rules may be called the Punjab Value Added Tax (\_\_\_\_Amendment) Rules, 2010.  
(2) They shall come into force on and with effect from the date of their publication in the Official Gazette.
2. In the Punjab Value Added Tax Rules, 2005 (hereinafter referred to as the said rules), in rule 21, after sub-rule (6), the following shall be inserted, namely:-

“(7) A taxable person shall be entitled to claim input tax credit in respect of purchase of goods, made by the first, second, third and fourth taxable persons only, from a manufacturer or importer of such goods in the State of Punjab.”

Note: For full text the aforesaid notification may be referred to.

**SHIVINDER SINGH BRAR,**  
Financial Commissioner Taxation and  
Secretary to Government of Punjab,  
Department of Excise and Taxation.

## RAJASTHAN

### POLICY TRACKER

**HC asks state to frame noise pollution policy (Source: Times of India, Date: 04/03/2010)**

A division bench of Rajasthan HC directed the state government to frame a policy to ensure that various anti-pollution norms are complied with in the state. It also asked the government to put a check on noise pollution created by commercial activities like CD shops, roof-top restaurants, discotheques, etc in the residential areas of the state. The SC in 2005 had laid down various guidelines regarding the use of loudspeakers, music systems in late night parties, etc.

#### News

**New airport to come up in Jaipur (Source: Business Standard, Date: 25/03/2010)**

A new airport is proposed to come up near Jaipur. It would go on to become the country's first airport to come up within 150 km of an existing airport. The government has accorded 'in-principle' approval to Rajasthan Aviation Infrastructure (India) for setting up the greenfield airport at Viratnagar, 63 km from Jaipur and 167 km from the Delhi airport. It got the approval as the existing airport is constrained to expand, and is likely to be saturated by 2013-14. The new airport will use its location to position itself as a multi-modal logistics hub with a key focus on cargo. The airport (to come up at a site near Sahapura, on the Delhi-Jaipur highway) will be flanked by the dedicated freight corridor (DFC) the one side and the National Highway 8 on the other. DFC will provide the port connectivity.

**State PWD plans to renovate 15,000 km roads (Source: Times of India, Date: 05/03/2010)**

The state public works department (PWD) plans to renovate about 15,000 km of roads in the next four years. The department has come out with a plan of action to achieve this target at a cost of about Rs.83.2 billion to be sourced from various agencies. National highways, state highways and main district roads have been accorded highest priority. All these projects would be carried out under built-operate-transfer (BOT). The department has identified about 22 such major projects.

## RAJASTHAN

### INVESTMENT TRACKER

**Honda to set up 2-wheeler unit in Bhiwadi (Source: Times of India, Date: 06/03/2010)**

Honda Motorcycle & Scooter India Pvt Ltd (HMSI) announced plans to set up the company's second plant at Bhiwadi in Rajasthan at an investment of Rs. 11 billion. The Rajasthan state government had approved HMSI's proposal with a customised package. The state government has identified 40-50 acre Rajasthan State Industrial Development and Investment Corporation Ltd (RIICO) land at Bhiwadi for the HMSI plant. The plant, which will have a production capacity of 1.2 million units per annum, will generate 10,000 direct and indirect jobs. Besides the plant itself, several ancillary units like component manufacturing companies will come up to support the main plant.

**India Cements in fund raising mode to fund expansion, power plants (Source: Economic Times, Date: 09/03/2010)**

Indo-Zinc (IZL), which was recently acquired by India Cements (ICL), has tied up a Rs. 3 billion credit from Yes bank at an interest rate of 10%, for which ICL has provided corporate guarantee. This will be used to part fund IZL's 1.5 million tonne greenfield plant being set up at Banswara in Rajasthan, at an investment of Rs. 6 billion. The balance Rs. 3 billion will come from ICL by way of equity and sub-ordinated debt. This project also includes a 20 mw captive power plant. IZL also has mining lease for limestone deposits in Rajasthan. Once the plant goes on stream in mid-2010, it will serve the markets of Rajasthan, Madhya Pradesh and Gujarat.

#### News

**Cairn pledges Barmer equity for development of fields (Source: Times of India, Date: 20/03/2010)**

Cairn India, which found the decade's biggest on-land oilfield in Rajasthan's Barmer district, has finalised a funding arrangement with a consortium of domestic institutional lenders for a loan of Rs.40 billion by pledging part of its equity in the discovery. Cairn holds 70% in the field and state-run ONGC holds the remaining 30% equity. It will pledge 35% of its equity as collateral against the loan which will be used to fund development of the fields

**RAJASTHAN**  
**NOTIFICATION TRACKER**

**FINANCE (EXCISE) DEPARTMENT**

**No.F. 12(22 )FD/Tax/1 0-1**

**Date 10.03.2010**

**NOTIFICATION**

In exercise of the powers conferred by sub-section (5) of section 4 of the Rajasthan Value Added Tax Act, 2003 (Act No. 4 of 2003), the State Government being of the opinion that it is expedient in public interest so to do, hereby makes the following amendment in Schedule VI appended to the Act, namely,-

**AMENDMENT**

In Schedule VI appended to the said Act, after the existing serial number 6 and entries thereto, the following new serial number and entries thereto shall be added, namely:-

7.	Goods of special importance as specified in section 14 of the Central Sales Tax Act, 1956, except the goods included in Schedule I or in Schedule III appended to the Rajasthan Value Added Tax Act, 2003.	4	
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This shall have effect from March 9, 2010.

By Order of the Governor,

(Vaibhav Galriya)  
Dy. Secretary to the Government

No.F. 12(22)FD/Tax/10-102

Date 10.03.2010

**NOTIFICATION**

In exercise of the powers conferred by sub-section (5) of section 4 of the Rajasthan Value Added Tax Act, 2003 (Act No. 4 of 2003), the State Government being of the opinion that it is expedient in public interest so to do, hereby makes the following amendments in Schedule IV appended to the Act, namely,-

**AMENDMENT**

In Schedule IV appended to the said Act,-

- (i) the existing serial number 42 and entries thereto shall be deleted.
- (ii) at the end of schedule IV, the following Note shall be inserted, namely,-

"NOTE: For any of the goods included in Schedule IV including Part-A and Part-B, which are covered in the category of goods of special importance as specified in section 14 of the Central Sales Tax Act, 1956, the rate of tax shall be such as specified against serial number 7 of the schedule VI appended to the Act."

This shall have effect from March 9, 2010.

By Order of the Governor,

(Vaibhav Galriya)  
Dy. Secretary to the Government

No. F.4 (23) FD/Excise/08 Pt-I

Date 02.03.2010

### NOTIFICATION

In exercise of the powers conferred by section 41 of the Rajasthan Excise Act, 1950 (Act No. II of 1950), the State Government hereby makes the following rules further to amend the Rajasthan Excise Rules, 1956 and orders with reference to the proviso to sub-section (3) of the said section that previous publication of these amendment rules is dispensed with as the State Government considers that they should be brought into force at once, namely:-

1. **Short title and commencement.** - (1) These rule may be called the Rajasthan Excise (Second Amendment) Rules, 2010.  
(2) They shall come into force at once.
2. **Amendment of rule 46 C.** - After ths existing sub-rule (3) of rule 46 C of the Rajasthan Excise Rules, 1956, the following new sub-rule (4) shall be added, namely:-

"(4) No person shall transport denatured spirit from any State of India through the State of Rajasthan to any other State unless authorized by the Excise Commissioner of the exporting State. The consignment shall be sealed in the presence of authorised Excise Officer of the exporting State and the seal shall not be broken during transit through the State of Rajasthan. Such consignment shall be carried within the time and through the route specified by the Excise Commissioner of the State of Rajasthan along with an escort provided by the Excise Department of Rajasthan State."

By Order of the Governor,

(S.S. Rajawat)  
Dy. Secretary to the Government

## UTTAR PRADESH

### POLICY TRACKER

#### **Circle rates may rise by 20% (Source: Tribune News Service, Date: 13/03/2010)**

A 20% hike in circle rates of property in Noida is expected by April 1, 2010. Buyers will have to pay more after this date for registry of property. At present, circle rate in Noida ranges from Rs. 18,000 to Rs. 40,000. In Greater Noida, circle rates vary from Rs. 14,000 to Rs. 17,000. From April 1, the minimum circle rates in Noida will be Rs. 20,000 while the maximum will be Rs. 46,000.

#### **News**

#### **UPPCB inspects hotels & restaurants in Kanpur (Source: Times of India, Date: 06/03/2010)**

The Uttar Pradesh Pollution Control Board (UPPCB) has started inspections of hotels, restaurants and guest houses in Kanpur for discharging sewage waste directly into the National River Ganga and polluting the water. Under the Sixth amendment of Environment Conservation Act 1986, the hotels and restaurants discharging untreated waste and water into the river would be facing an enquiry. According to the amendment, the hotels with more than 20 bedrooms, banquet halls with at least 100 square metre area and restaurants with a seating space for minimum of 36 people would come under the provisions of the Act. The respective hotels and guest houses are being notified by the state Pollution Control Board.

#### **LDA to develop institutional area (Source: Times of India, Date: 03/03/2010)**

The Lucknow Development Authority plans to get 3,000 acre land on area around Hardoi Road notified for acquisition. Some 1,200 acre of land in the area has already been notified. Around 500 acre would be earmarked for being developed as an institutional area. The institutional land would come up near the Indian Institute of Management, and would comprise the second campus of the Chhatrapati Shahuji Maharaj Medical University (CSMMU) and a software IT park. The facilities developed by the LDA would jack up the prices of the land. A number of private builders have already acquired land around the area.

#### **UP told to reopen cases of units using HSD (Source: Business Standard, Date: 08/03/2010)**

The Supreme Court has asked the Uttar Pradesh trade tax authorities to reopen the cases of more than 130 industrial units in the state which had been issued show cause notices asking them to explain why concessional rates for high speed diesel (HSD) given to them should not be withdrawn. These units have been getting concessional rates from oil companies. The beneficial rates were given to them under the central sales tax law and the UP trade tax law. However, the state government took a decision later that those who have been using HSD for generating electricity should not be given the beneficial rates.

#### **Toll tax on Noida-Gt Noida e-way (Source: Tribune News Service, Date: 03/03/2010)**

Vehicles using Noida-Greater Noida Expressway will soon have to pay a toll tax. With the commissioning of Taj Expressway, the toll regime will be made applicable on Noida-Greater Noida Expressway. With the commissioning of Taj Expressway, users of this highway will have to pay a toll tax and simultaneously a toll tax will become applicable on use of Noida-Greater Noida Expressway also.

## UTTAR PRADESH

### INVESTMENT TRACKER

**PPP-based logistics park to come up near Kanpur (Source: Business Standard, Date: 25/03/2010)**

The Dedicated Freight Corridor Corporation of India (DFCCIL) is in the process of setting up three parks along the Eastern corridor from Ludhiana to Dankuni in West Bengal. One of these will be at Kanpur apart from other two at Ludhiana and Durgapur. FCCIL director P N Shukla in a meeting with the UP chief secretary Atul Kumar Gupta proposed to frame a Special Purpose vehicle (SPV) for implementing the project functions. These multi-modal logistics hubs have been planned to provide total transport solution and other value-added services to industry in and around the dedicated freight corridor. The park would provide space for storage, transport, packaging, light processing, workshops, container yard, a modern container handling system, cargo handling, offices and other key supports for thousands of city's industrial units. The project is likely to act as a catalyst to the industrial development of the state.

**Amrapali to invest Rs.40bn in housing projects (Source: The Hindu, Date: 25/02/2010)**

Amrapali, a leading realty firm, announced plans to invest nearly Rs.40 billion to develop 12,000 housing units in two projects at Noida over the next three years. The two projects, Smart City and Silicon City, are being developed in 100 acres and 60 acres of land with investments of Rs.21.5 billion and Rs.18.5 billion, respectively.

**Neesa Group to invest Rs.1bn in state (Source: Financial Express, Date: 27/03/2010)**

Neesa Group, a well-diversified business group headquartered at Gandhinagar, and having its footprint in sectors like hospitality & leisure, metal casting, education & IT and agri biotechnology plans to expand its base in north by investing over Rs.1 billion in diverse businesses in Uttar Pradesh. While Rs.800 million will be invested in two-80 room business hotels in Lucknow and another prime city in UP, the group also plans a commercial data centre setup in Lucknow at an additional investment of Rs.100 million and a bio-fertiliser unit with an investment of Rs.130 million.

#### News

**UP takes PPP route to build highways (Source: Financial Express, Date: 27/03/2010)**

The Uttar Pradesh government has decided to undertake the development and maintenance of state highways through the public-private partnership (PPP) model. The Uttar Pradesh State Highways Authority (UPSHA), which is engaged in the development of state highways, has issued a request for qualification (RFQ) for PPP in the development and operation of the 196-km Delhi-Saharanpur-Yamunotri road (SH-57) in the state on design, build, finance, operate and transfer (DBFOT) basis. UPSHA intends to invite bids for the Rs.12.3 billion project on the basis of the lowest financial grant for implementing the project. The development of this road will help accelerate the growth of the region as a fast emerging hub of industrial, commercial, agricultural, residential and institutional activities.

**UP urges Centre to clear airport projects (Source: Business Standard, Date: 25/03/2010)**

The Uttar Pradesh government has urged the Centre for early clearance to the proposed international airports in Greater Noida and Kushinagar district. The two airports to be built under the public-private partnership (PPP) model will together entail an investment of around Rs.45 billion and acquisition of 1,800 hectares land. While the matter of the proposed Taj International Airport (TIA) at Jewar (Greater Noida) is pending before the Union civil aviation ministry for long, the Kushinagar airport is yet to be cleared by central government departments.

**Firms line up for UP health project (Source: Business Standard, Date: 04/03/2010)**

The Uttar Pradesh government's move to invite private sector for the maintenance of health facilities in four districts saw 12 companies lining up at the pre-bid conference in New Delhi. This is for the first time in the country that any state government has opened up management, upgrading, operation and maintenance of public health service facilities at the district level for the private sector. Fortis Healthcare, Apollo Hospitals, Philips Healthcare, Max Healthcare, Jubilant Organosys, Hospimax, Artemis, Rockland, Medanta Medicity, Citizen's Foundation and Metro group of Hospitals have expressed interest to carry out the pilot project. The four districts, which have been selected are Basti, Allahabad, Ferozabad and Kanpur City. The project, which envisages an estimated investment of Rs.2 billion will entail the upkeep of four district hospitals (DH), eight Community Health Centres (CHC), 23 Primary Health Centres (PHC) and 210 sub centres (SC).

**UP invites private players in power transmission arena (Source: Business Standard, Date: 01/03/2010)**

The Uttar Pradesh government has cleared the first step of realising its ambitious plans of getting the private sector to spruce up power transmission sector in the state. Of the four companies (Issolux, Cobra, L&T and Sterlite), which had shown interest in building the Rs.80 billion transmission project, only two have qualified for the request for proposal (RFP) stage. The evaluation committee found Issolux and Cobra as technically eligible, after which the two will compete in the RFP round.

**Elgin Mill to be revived (Source: Business Standard, Date: 04/03/2010)**

The Union finance ministry has recommended the textile ministry to examine prospects of swift resumption of operations at Elgin-2 Mill by furthering proposal to the UP government. The Kanpur-based Elgin Mill was closed in the year 1992. The Board for Industrial and Financial Reconstruction (BIFR) has approved a Rs.3.1 billion revival package for the mill. Elgin-2 Mill has also been approved by the Board of Restructuring of Public Sector Enterprises (BRPSE) for the purpose. A special cabinet committee constituted for the purpose will review the proposal soon.

## UTTARAKHAND

### POLICY TRACKER

**U'khand announces surcharge on selected items (Source: Business Standard, Date: 01/03/2010)**

The Uttarakhand government announced a surcharge of 0.5-1% on select consumer goods and day-to-day food items like dal, sugar and rice. In a notification, the government said a surcharge of 0.5% will be imposed on items where the value added tax (VAT) is 4 % and 1% on items with 12.5% VAT. The new surcharge food will be levied on essential items like dal, sugar, rice and fast moving consumer goods (FMCG) items. The finance department hopes to generate Rs.1-1.5 billion through the new surcharge.

#### News

**U'khand registers drop in agricultural growth (Source: Business Standard, Date: 05/03/2010)**

Despite higher credit support, agricultural growth in Uttarakhand has fallen. The growth has mainly been in the plains while the hills are languishing due to negative growth in agriculture, thus creating a big imbalance between the two regions, according to Chief General Manager, Nabard. But despite the fall in agricultural growth, a credit potential of Rs.58.9 billion has been estimated for 2010-11 under agriculture and other priority sectors. This is 12% higher than the previous year's credit estimates. Agriculture is the predominant sector in the state economy, which contributes 23.4% in gross state domestic product (GSDP) and about 58% of the population is dependent on it.

**Tax benefits to boost handloom, khadi, village industries (Source: Business Standard, Date: 18/03/2010)**

The Uttarakhand government has introduced a series of tax changes in the budget for the fiscal year 2010-11. Buoyed by increase in revenue receipts, which are estimated at Rs.121.6 billion compared with Rs.109.5 billion last year, the government has passed on the benefit to the people by reducing VAT on a number of items like kerosene and khadi and handloom products. VAT on products made by khadi gramudhyog industries like matches, crackers, candles, gum, fibre, hand-made paper, etc. has been abolished. This attempt is being seen as a move to boost the cottage industries in the state, which the government believes has the potential to bring down the unemployment rate. To encourage the handloom industry, VAT on handmade woollen carpets has been abolished. The state government has also safeguarded the interest of farmers by abolishing VAT on thrashers. Stamp duty exemptions on agriculture loans to farmers have been extended till March 31, 2011. In addition to this, the loan limit for exemption will be increased from Rs.300,000 to Rs.500,000. The government has also attempted to strike a balance between the ballooning non-plan expenditure and development schemes.

**U'khand to move SC over tax sops (Source: Business Standard, Date: 27/03/2010)**

The Uttarakhand state government would launch a joint campaign with Himachal Pradesh for the extension of the industrial package and may move the Supreme Court over the issue. Under the new strategy, the two states may agree to seek the extension of the package, which was scheduled to expire on March 31, 2010, till 2013. Following the special tax holiday scheme of January 2003, an industrial boom was witnessed in Himachal Pradesh and Uttarakhand.

## UTTARAKHAND

### INVESTMENT TRACKER

#### **Surya Roshni pumps in Rs.5.5bn (Source: Business Standard, Date: 19/03/2010)**

Surya Roshni, a subsidiary of the Surya Group, and the largest exporter of GI Pipes, has pumped in fresh capital of Rs.5.5 billion to install three more plants in Kashipur (Uttarakhand), Bhuj (Gujarat) and Gwalior (Madhya Pradesh). Apart from Rs.5.5 billion, it has been planned to invest about Rs.3 billion to commission another plant in Vijay Nagar of Karnataka to manufacture H R Coil in the coming fiscal. It has also decided to increase the production capacity of CFL from 2.5 million pieces per annum to 5 million pieces.

#### **U'khand, GAIL to set up 2 power plants (Source: Business Standard, Date: 15/03/2010)**

The Uttarakhand government is setting up two gas-based plants of 500 Mw each in collaboration the Gas Authority of India (GAIL). Under the plan, both Garhwal and Kumaon regions would have one plant each. The power through these plants would be used mainly for industrial usages. For this purpose, the government has already urged the centre to supply 3 million metric standard cubic meter per day of gas to the state. GAIL has agreed to bring gas to Garhwal region from Dadri-Bhatinda pipeline from Saharanpur side. Similarly, the GAIL's gas project via Karanpur and Moradabad in Uttar Pradesh to the two industrial towns of Rudrapur and Kashipur is likely to give a tremendous boost to hundreds of existing industries in Kumaon region which are facing power shortage.

#### **Ashok Leyland flags off manufacturing facility in U'khand (Source: Economic Times, Date: 05/03/2010)**

Ashok Leyland flagged off new commercial vehicle plant at Pantnagar in Uttarakhand. The new plant is being touted as the company's largest manufacturing facility. Set up on 190 acres with a built up space of 200,000 sq mt, it is also one of the most integrated manufacturing facilities in the Indian commercial vehicle industry. The company has pumped in an investment of over Rs.11 billion to create a capacity of 75,000 vehicles on top of the current 100,000 capacity in the existing plants. The plant has the latest generation equipment sourced from global leaders in Japan, US and Europe and India. It is highly energy efficient and designed to be operator friendly. It is also designed on lean manufacturing principles and process control for high quality of output.

#### **Kent RO sets up 3rd plant in U'khand (Source: Financial Express, Date: 16/03/2010)**

With an intention to increase the production capacity, water purifying devices firm Kent RO Systems has set up its third manufacturing facility in Roorkee. Spread over four acre, the plant has a capacity to produce 2,000 purifiers per day. Initially, 800 purifiers will be rolled out per day from this facility, which involves a capital outlay of Rs.150 million.

#### **News**

#### **Govt. asks UJVNL to renovate its old hydel projects (Source: Business Standard, Date: 16/03/2010)**

In a bid to increase power generation, the Uttarakhand government has asked the Uttarakhand Jal Vidyut Nigam Ltd. (UJVNL) to modernise and renovate its old hydel projects on priority basis. UJVNL, a state government enterprise, would receive a loan of EURO100 million from KFW, a German financial institution, for modernising and renovating six hydel projects in Garhwal region. The six projects are the 240 Mw Chibro, 120 Mw Khodri, 51 Mw Dhalipur, 33.75 Mw Dhakrani, 30 Mw Kulhal and 90 Mw Tiloth.

**U'khand to set up IT park (Source: Business Standard, Date: 26/03/2010)**

The Uttarakhand government has launched efforts to set up an IT park in the state that includes a cyber tower in a joint venture with a Bangalore-based infrastructure company IDEB. An agreement had been signed between the State Infrastructure and Industrial Development Corporation of Uttarakhand Limited (Sidcul) and IDEB to develop the cyber tower. The company christened as Sidcul-IDEB Project Company Pvt Ltd is a special purpose vehicle (SPV) with Sidcul holding 49% of the equity, the rest being held by IDEB. The IT park, when fully developed, will have 3.5 million sq feet of ready to move in office space with the state-of-the-art facilities.

**U'khand encourages private participation in hydel projects (Source: Business Standard, Date: 13/03/2010)**

The Uttarakhand government has committed to allot the remaining hydel projects (with a capacity of 1,000 Mw) to private sector under the self-identified route in state. The government has received nearly 736 bids from private developers. Of these, only 621 bids were found to be valid and the rest were rejected. Of the 621, only 175 projects were shortlisted for the allotment, of which 49 have now been allotted. Last month, the government had allotted 56 projects having capacity to generate 960 Mw.

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